

West of Scotland Transport Partnership Joint Committee

Report to Members on the 2005/06 Audit



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Introduction

1. This report summarises the findings from our 2005/06 audit of the West of Scotland Transport Partnership Joint Committee.
2. The financial statements of the joint committee are the means by which it accounts for its stewardship of the resources made available to it and its financial performance in the use of these resources. It is the responsibility of the joint committee to prepare financial statements that present fairly its financial position and the income and expenditure for the year.
3. The members and officers of the joint committee are responsible for the management and governance of the organisation. As external auditors, we review and report on the arrangements in place.



Financial position

4. We have given an **unqualified** opinion on the financial statements of the West of Scotland Transport Partnership Joint Committee for 2005/06. The joint committee's unaudited financial statements were submitted to the Controller of Audit prior to the deadline of 30 June 2006. Final accounts preparation processes and working papers were generally good and this enabled the audit to progress smoothly. Audited accounts were finalised prior to the target date of 30 September 2006.
5. The joint committee's accounts show a deficit of £61,128 in 2005/06 which includes an adjustment of £16,000 for accounting entries relating to Financial Reporting Standard 17 (retirement benefits). Excluding the pensions adjustment which is funded from the Pensions Reserve, the joint committee shows a year end deficit of £ 45,128. This will be funded from balances brought forward.
6. At its meeting on 13 March 2006, the joint committee agreed to dissolve the West of Scotland Transport Partnership Joint Committee as of 31 March 2006. The responsibilities of the joint committee have been aggregated into the Strathclyde Partnership for Transport. The joint committee has a balance of funds due to member authorities and associate members amounting to £91,756. In accordance with the Minute of Agreement, this balance of funds will be repaid to member authorities.
7. The joint committee's balance sheet shows a net liability in 2005/06 of £86,000. The negative balance reflects the pensions liabilities falling due in future years. In common with similar public bodies, the future financing of these liabilities would have been met by future requisitions from the member authorities of the West of Scotland Transport Partnership Joint Committee. As there is no reason to believe that this funding arrangement will not continue under the Strathclyde Partnership for Transport, the joint committee's 2005/06 financial statements have been presented on a going concern basis.



Governance

Overview of arrangements in 2005/06

8. Corporate governance is concerned with structures and processes for decision-making, accountability, control and behaviours at the upper levels of the organisation. The joint committee has a responsibility to put in place arrangements for the conduct of its affairs, ensure the legality of activities and transactions and to monitor the adequacy and effectiveness of these arrangements in practice. As auditor I have a responsibility to report on the joint committee's corporate governance arrangements.
9. A Statement on the System of Internal Financial Control is included within the annual financial statements, and states the Treasurer's view that reasonable assurance can be placed upon the adequacy and effectiveness of the committee's internal financial control system. The statement complies with accounting requirements and is not inconsistent with the findings of our audit.

Systems of internal control

10. The joint committee's financial transactions are processed through Renfrewshire Council's financial systems. Audit's review of these systems was conducted as part of the audit of the council and supplemented by specific audit work on the joint committee's financial statements. Overall there were no issues of concern concerning the operation of the main financial systems and the joint committee's transactions.

Legality

11. Each year we request written confirmation from the Treasurer that the joint committee's financial transactions accord with relevant legislation and regulations. Significant legal requirements are also included in audit programmes and checklists. The Treasurer has confirmed that, to the best of her knowledge and belief and having made appropriate enquiries of the members of the joint committee, the financial transactions of the joint committee were in accordance with the relevant legislation and regulations governing its activities.
12. There are no additional legality issues arising from our audit which require to be brought to members' attention.



Final Remarks

13. I am pleased to be able formally to conclude the audit of the joint committee's 2005/06 accounts. I should like to take this opportunity to record my thanks for the co-operation and assistance afforded by officers during the course of the audit.

Audit Scotland

October 2006