

DEVON AUDIT PARTNERSHIP
Report of the County Treasurer

Please note that the following recommendations are subject to confirmation by the Committee before taking effect.

Recommendation:

- that the Partnership Committee note the Partnership financial outturn report for 2014/15
- that the Committee approve the Chair to sign the relevant sections of the Small Bodies Return 2014/15.

Financial Outturn 2014/15

Summary

The attached Budget monitoring outturn report 2014-15 shows a small operating surplus of £2,484. The variance is mainly because of extra services being provided to external partners (including Devon and Somerset Fire and Rescue, Torridge District Council, South Hams and West Devon councils and other local authorities) for which DAP charges a higher daily rate and thus makes a small financial surplus..

Small Bodies Return 2014/15

Regulations requires that “small relevant bodies in England with an annual turnover of £6.5m or less must complete an annual return”

The attached small bodies return comprises of four sections:-

Section 1 – Accounting Statements for 2014/15.

This has been signed by the Responsible Financial Officer and, after consideration by the Committee, will require the approval of the Chair

Section 2 Annual governance statement 2014/15

After consideration by the committee, the Chair is required to sign section 2. This will then be countersigned by the committee clerk.

This section requires that members of the Partnership confirm that the Partnership has a sound system of internal control and that the accounts are prepared correctly.

When considering this section members should draw from;

- The assurance of the Section 151 officer in certifying the accounts
- The report of the Internal Auditor (see section 4)
- The risk register that has previously been presented to the Committee (November 2014)

- The regular update reports provided by the Head of Partnership in respect of the financial position of the Partnership and actions taken during the year as part of the Development Plan (previously presented).
- The Quality Improvement Action Plan (presented November 2014) which included actions from previous inspections (including internal and external audit)
- Assurance from the Head of Partnership and the Management Board that there are no litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end that have a financial impact of the body.

Section 3 – External Auditor certificate and opinion 2013-14

Our completed Small Bodies Return needs to be provided to our External Auditors (Grant Thornton). Grant Thornton will review the Accounting Statements (section 1) and supporting documentation and provide their External Auditor Report.

In accordance with the agreed scale of charges a fee of £2,000 will be charged for this work.

Section 4 Annual Internal Audit report 2013-14

We instructed South West Audit Partnership to undertake an internal audit of the Partnership. Tony Brown was appointed to this task, and Tony completed his fieldwork on our systems and procedures in May.

We are pleased to report that Tony was able to confirm that all the expected internal control objectives had been achieved and has signed the return to this effect.

Tony has provided a short supporting report, highlighting areas where further improvement could be made, and we shall include these items in our Development Plan.

The small bodies return for Devon Audit Partnership is attached. The annual return is expected to reflect the financial position of the body, but it is often difficult for those unfamiliar with the process to “reconcile” the management accounts and the small bodies return.

Set out below is a short reconciliation statement that aims to assist in this process.

Reconciliation between the Financial Outrun report and the Small Bodies Return (SBR) for 2014/15.

Box 1 of the SBR shows the carry forward from last year	£173,300
To this is added our income (Box 2)	+ £1,426,556
Total	= £1,599,856
Expenditure is then taken away. Expenditure is shown in :-	
Box 4 - Staff Costs (employees costs)	- £1,254,813
And Box 6 “all other payments” which is a summary of Premises, Transport, Supplies and Services and Professional Services	- £169,259

This provides the "balance carried forward" of	= £175,784
The increase in Balances brought forward (Box 1) from	£173,300
To Balance Carried Forward Box 7	£175,784
Is And represents our Total Surplus for the year	£2,484

Mary Davis
Electoral Divisions: All
Local Government Act 1972
List of Background Papers

Contacts for Enquiries:

Robert Hutchins Head of Devon Audit Partnership
robert.hutchins@devonaudit.gov.uk 01392 382437

Background Paper: None

BUDGET MONITORING 2014/15 – Outturn Report

Report of Head of Partnership

Recommendations:

That members:

1. Note the projected outturn
2. Note variances and reason

Budget Monitoring Outturn Report 2014-15

Summary

The Budget monitoring outturn report 2014-15 shows a small operating surplus of £2,484. The variance is mainly because of extra services being provided to external partners (including Devon and Somerset Fire and Rescue, Torridge District Council, South Hams and West Devon councils and other local authorities) for which DAP charges a higher daily rate and thus makes a small financial surplus.

However, the year end surplus is slightly less than the anticipated amount (£4.6k) due to some small movements between the anticipated and actual costs for supplies and services, premises costs and the cost of travel expenses. The Transport line shows a significant increase since month 10 (£44k compared to £29k) but the majority of this extra costs is due to travel to France on UE project work; the cost of this travel has been recharged to the administering body, and is shown in the level of increased income.

Detailed Analysis

Employee costs overspend (£54,913 is due to the continuation of temporary staff contracts and employment of extra staff, which have been needed because of the extra services required from the partnerships customers. These extra costs have been covered by the increase in income.

Transport costs overspend (£14,294) As referred to above this is mainly due to foreign travel taking place in February and March on UE funded projects – the cost of this travel has been recharged to the scheme. Home travel costs have increased due to the requirement for extra visits to customers, in-line with their request for extra services. These costs have been covered by the increase in income.

Supplies and services reduction (-£16,035) is due to the review of using external agency staff and management's decision to reduce the need for these staff.

Income has grown (£60,556) due to the supply of extra audit services to Devon and Somerset Fire and Rescue, Torridge District Council, South Hams and West Devon councils, Academy schools, other local authorities and due to work on EU funded projects.

The table over analyses the under/over spend:

	2014/15 Base Budget £	Outturn 2014/15	Variance £	Projected Outturn As at month 10	Variance between mth 10 outturn forecast and actual
Employees	1,142,900	1,254,813	54,913	1,259,700	(4,887)
Premises	38,100	42,202	4,102	40,500	1,702
Transport	27,800	44,094	16,294	29,800	14,294
Supplies & Services	78,200	62,165	(16,035)	59,500	2,665
Support	22,000	20,798	(1,202)	22,000	(1,202)
Income	(1,366,000)	(1,426,556)	(60,556)	(1,416,100)	(10,456)
Total	0	(2,484)	(2,484)	(4,600)	2,116

Robert Hutchins

Head of Partnership

28th May 2015

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985