

DEVON AUDIT PARTNERSHIP BUDGET 2016/17

Report of Head of Partnership

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

Recommendations:

That members:

1. Agree the proposed budget for 2016/17
2. Note the areas of uncertainty within the budgeted income figures

Budget 2016/17

Summary

In setting the budget for 2016/17, the Partnership have been required to make a saving of 10% on the expected level of income expected from Devon, Plymouth and Torbay councils.

The Business Plan (presented to and agreed by the Management Board) recognised this reduction in income, and predicts that income from other, external partners, will need rise to compensate for this loss. In the current economic climate this is a difficult task to achieve (the Partnership focuses on public sector organisations that all are facing budget pressure) however successful generation of new business and clients will enable the excellent staff base to be retained providing for a high quality, cost effective internal audit service for all our clients.

Detailed notes

Employee costs – we employ staff to deliver the audits required by our Partners and external partners. As some of our income is of a short term nature, we employ a number of people on short term contract arrangements. By using this approach we can “turn up” or “turn down” our resources in a reasonably short period to accommodate for income changes. We very much value the flexibility of staff who work in such arrangements.

Premises - costs are projected to be slightly less in 16/17 than in 15/16. This is mainly due to reduced costs for our Plymouth office base.

Supplies and Services – the budget for 2016/17 is slightly higher than in 2015/16; this reflects small price increases from service providers (e.g. ICT / telephone etc).

Income levels are lower than in previous years, and reflect the 10% budget reduction requested by the partners. This reduction in income gives challenges to the service in providing the required level of annual assurance opinion and in retaining the excellent staff base we have.

Income expected from other customers and partners has been set at a prudent level. The income generated in the coming year may exceed this budgeted figure – for example we have been asked to submit proposals to support EU grant funded projects and, if successful, this will increase our income figure. However it should be noted that gaining such additional work will require temporary staff to support delivery.

The table over analyses the projected budget for 2016/17. 2015/16 & 2014/15 Budget figures are provided for comparison purposes.

	2016/17 Proposed Budget	2015/16 Base Budget	2014 /15 Base Budget
	£	£	£
Employees	1,045,000	1,116,400	1,142,900
Premises	38,000	41, 500	38,100
Transport	28,200	28,200	27,800
Supplies & Services	95,500	94,000	135,200
Support	21,600	22,500	22,000
Income	(1,228,700)	(1,307,600)	(1,366,000)
Total (Surplus) / Deficit	0	(5,000)	0

Income is expected from partners as shown below:-

Partner	2016/17 Expected income level	2015/16 Budgeted income level	2014/15 budgeted income level
Fire	£15,300	£22,100	16250
Police	£37,500	£42,500	42875
Pensions	£21,700	£23,000	24500
Dartmoor	£5,100	£4,800	5000
Exmoor	£5,300	£5,300	5200
Torrige	£42,900	£45,000	55200
Teignbridge	£11,300	£12,500	13800
Devon CC	£282,500	£291,200	314600
Plymouth CC	£312,600	£336,100	362900
Torbay CC	£233,800	£250,500	270500
Schools	£168,500	£162,800	180342
Schools Academies	£52,000	£52,000	48690
University of Plymouth	0	£22,000	20000
Cornwall Unitary	0	£2,200	0
Other smaller partners	£15,100	£13,600	6143
South Hams & West Devon	£25,100	£22,000	0
Total	£1,228,700	1,307,600	1,366,000

Robert Hutchins Head of Partnership 22nd February 2016

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

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Background Paper Nil

There are no equality issues associated with this report