

DEVON AUDIT PARTNERSHIP - 2015/16 – Revenue Outturn Position
Report of the Head of Devon Audit Partnership

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

Recommendations: That:

- The committee note the DAP 2015/16 revenue outturn position and the changes between month 9 and year end.
- The committee note the DAP balance sheet as at 31 March 2016 and the balances contained
- The committee note the Accounting Statement at appendix 1, prepared in accordance with the small bodies return format
- The committee approve the chair to sign the Annual Governance Statement as shown at appendix 2
- The committee note the Annual Internal Audit Report for 2015/16 shown at appendix 3

1. Budget Monitoring – Revenue Outturn Position

- 1.1 The Budget monitoring at month 9 indicated a potential for a slight under spend (£1,200) at the year end. This variance was mainly because of increase income (1.08%) from extra work undertaken by the partnership, but offset by the increase in staff (1.08%) to complete the work.
- 1.2 We have now prepared our financial outturn figure and our surplus has increased by £4k to **£5,243**. There have been some changes between the month 9 projection and year end actual, but it is pleasing to see that these have, overall, resulted in an increased surplus position for the Partnership.
- 1.3 The table below summarises the **changes between month 9 and year end**. The key reasons for the small change (£4k) are as follows:-

Narrative	Change between Mth 9 & Outturn
Employees – increase of £3,957. Mainly due to employing contract staff to complete work at Torridge on specific audits (including Housing Benefit)	+ £3,400
Transport – increase of £5,884. In previous years travel claims submitted in April have been automatically coded back to the previous financial year. We were informed that this would not be the case for 2015/16 and were therefore required to estimate the value of outstanding travel claims outstanding at year end, assuming that staff would process travel claims in April. We estimated this at £3,500, but it is apparent that this estimate is on the high side, as most staff have been able to complete outstanding travel claims in the March period. We shall learn from this.	+ £3,000
Transport costs were also slightly higher as staff attended training courses (e.g. on ISO audits) outside of the southwest, and increased travel to clients across the region.	+ £2,500

Supplies and Service £15,787 less than expected at month 9. This is due to a number of factors:-	
We have a modest equipment budget of £1,300 – this was projected to be spent at mth 9 but was not required	- £1,300
Our mth 9 report referred to a risk that Insurance costs would increase by £3,500 – this risk did not materialise	- £3,500
Staff examination fees – 1 member of staff deferred an exam, and another had to undertake a resit meaning that the expected next stage was not taken. This resulted in a saving of £3,500.	- £3,500
At month 9 our projected figures included £2,900 for External Audit costs – we now know that this is not required for 2015/16	- £2,900
Finally, our ICT charge has been slightly less than expected, mainly due to needing a smaller number of laptops in 2015/16 – reducing our projected spend from £32,600 to £28,600	- £4,000
Other minor changes (income, premises etc.)	+ 2,300
Total	- £4,000

1.4 Our Revenue Outturn position for 2015/16 is therefore as follows:-

	2015/16 Base Budget	2015/16 Outturn	Variance	Mth 9 Projection	Mth 9 to year end variance
	£		£		£
Employees	1,136,400	1,152,457	16,057	1,148,500	3,957
Premises	41,500	38,731	(2,769)	38,000	731
Transport	28,200	35,684	7,484	29,800	5,884
Supplies & Services	74,000	61,913	(12,087)	77,700	(15,787)
Support	22,500	21,300	(1,200)	21,500	(200)
Income	(1,302,600)	(1,315,328)	(12,728)	(1,316,700)	1,372
Total	0		(5,243)	(1,200)	(4,043)

1.5 Other key documents are as follows:-

Income Statement for Period ended 31/03/16				
	Unrounded per DCC Accounts	Plymouth	Torbay	Devon
Expenditure	1,154,775.07	370574.35	307903.69	476297.03
Income	-1,160,018.00	-372256.84	-309301.64	-478459.52
Profit/Loss	-5,242.93	-1682.49	-1397.95	-2162.49
DAP Balance Sheet as at 31/03/16				
	Unrounded per DCC Accounts	Pro Rata split by fte as per Partnership Agreement		
		Plymouth	Torbay	Devon
		13.6	11.3	17.48
	£	£	£	£
Original set up allocation	100,000.00	32,090.61	26,663.52	41,245.87
Cumulative surplus as at 31/3/16	75,784.01	36,156.13	- 9,327.12	46,471.25
Current assets and Liabilities	175,784.01	69,043.79	17,998.66	88,741.56
Surplus 15/6	5,242.93	1,682.49	1,397.95	2,162.49
Reserve 31/3/16	181,026.94	70,726.28	19,396.61	90,904.05

2 Small Bodies Return

- 2.1 In previous years the committee has received a "small bodies return" which has reported the financial performance of the partnership, provided an Annual Governance Statement and incorporated the views of the Internal Auditor; the return was then forwarded to our external auditors for verification.
- 2.2 The requirement for a small bodies return, and external audit, has been removed for organisations with a turnover of less than £5m. however, the small bodies return contained some good elements of governance and enabled effective year on year comparisons to take place.
- 2.3 For this reason we set out below key information that formed the basis of the small bodies return and which is considered "good practice" to continue.
- 2.4 We set out below three appendices that capture the key elements of the small bodies return.
 - o Appendix 1 – Accounting Statements for 2015/16 – which contains the signature of Mary Davis, the S151 officer of DAP (this should be read in conjunction with the revenue outturn position at section 1)
 - o Appendix 2 – Annual Governance Statement – to be approved by the Committee Chair.
 - o Appendix 3 – Annual Internal Audit report for 2015/16 as prepared by Tony Brown of SWAP

Robert Hutchins – Head of Devon Audit Partnership

27 May 2016

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Devon Audit Partnership - Accounting Statement for 2015/16

	Year ending		Notes & guidance
	31 March 2015	31 March 2016	
Balances brought forward	173,300	175,784	
+ Income	1,426,556	1,315,328	From partners and clients
+ other receipts	0		None for DAP
- staff costs	1,254,813	1,152,457	Salaries, wages, PAYE, NI and pension costs
- All other payments	169,259	157,628	
= Balances carried forward	175,784	181,027	
Total cash	-326,157	70,651	
Total fixed assets	0	0	We do not hold any land, buildings, or substantial fixed assets (out ict is provided by DCC ICT services and not "owned" by DAP).

I certify that for the year ended 31 March 2016 the accounting statements in this annual return present fairly the financial position of the body and its income and expenditure.

Signed by Responsible Financial Officer

M. C. Davis

Date

13/6/16

Devon Audit Partnership – Annual Governance Statement 2015/16

We acknowledge as the members of Devon Audit Partnership our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2016 that:

	Agreed		"yes" means that DAP
	Yes	No	
1. We approved the accounting statements prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices	Y		Prepared its accounting statements in the way prescribed by law.
2. We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	Y		Made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and proper practices that could have a significant financial effect on the ability of DAP to conduct its business or on its finances.	Y		Has only done what it has the legal power to do and has complied with proper practices in doing so.
4. We carried out an assessment of the risks facing DAP and took appropriate steps to manage those risks.	Y		Considered the financial and other risks it faces and has dealt with the properly.
5. We maintained throughout the year and adequate and effective system of internal audit of DAP's accounting records and control systems.	Y		Arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether the internal controls meet the needs of DAP.
6. We took appropriate action on all matters raised in reports from auditors.	Y		Responded to matters brought to its attention by auditors.
7. We considered whether any litigation, liabilities, commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the body and where appropriate have included them in the accounting statements.	Y		Disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.

Signed by

Chair

dated

Devon Audit Partnership – Annual Internal Audit Report 2015/16

DAP's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2016.

Internal audit has been carried out in accordance with DAP's needs and planned coverage. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of DAP.

Internal control objective	Agreed? Select on of the following		
	Yes	No *	Not covered *
A. Appropriate accounting records have been kept properly throughout the year.			
B. DAP's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.			
C. DAP assessed the significant risks to achieving its objectives and reviewed adequacy of arrangements to manage these.			
D. An adequate budgetary process was in place; progress against the budget was regularly monitored; and reserves were appropriate.			
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.			
F. Petty cash payments were properly supported by receipts, all expenditure was approved and VAT appropriately accounted for.			
G. Salaries to employees were paid in accordance with DAP's processed, and PAYE and NI requirements were properly applied.			
H. Asset registers were complete and accurate and properly maintained.			
I. Periodic and year-end bank account reconciliations were properly carried out.			
J. Accounting statements prepared during the year were prepared on the correct accounting basis, supported by an adequate audit trail from underlying records and debtors and creditors were properly recorded.			

Name of person who carried out the internal audit	
Signature of person who carried out the internal audit	Date:

Notes

If the response is "no" please state the implications and actions being taken to address any weakness in control identified.

If the response is "not covered" please state when the most recent internal audit work was done, or when it is next planned.