

DEVON AUDIT PARTNERSHIP - 2021/22 – 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 2021/22 revenue outturn position.**
- **Note the DAP balance sheet as at 31 March 2022 and the balances contained**
- **Note the Accounting Statement at appendix 1, prepared in accordance with the (former) small bodies return format**
- **Approve the chair to sign the Annual Governance Statement as shown at appendix 2**
- **Note the Annual Internal Audit Report for 2021/22 shown at appendix 3**

1. Budget Monitoring – Revenue Outturn Position

1.1 The Revenue Outturn position for 2021/22 is as follows:-

	2021/22 Base Budget	2021/22 Outturn Position	2021/22 Over / Under spend
Employees	1,661,000	1,749,426	88,426
Premises	38,000	34,059	(3,941)
Transport	27,400	5,396	(22,004)
Supplies & Services	66,400	108,315	41,915
Support	21,000	33,475	12,475
Income	(1,813,800)	(1,931,945)	(118,145)
Total (Surplus) / Deficit	0	(1,274)	(1,274)

1.2 Other points of note are:-

- Employee costs – increased costs due to Temporary staff recruited to meet additional requests for services from partners and clients
- Transport – considerably less than expected due to staff working from home during the pandemic
- Supplies and Services – the overspend against budget is mainly due to costs relating to ICT support services provided by our Strategic Partner (OneWest) and the purchase of additional laptops to aid our employees as they continue to work from home.
- Support – overspend due to increased cost of support services to DAP (ICT, HR, Finance etc) – part inflationary pressures, part greater support. (Note – budget for 2022/23 will be re-considered in this area and, if required, adjustment made).
- Income – additional service requests from partners and customer.

2 Balance Sheet

2.1 We prepare a revised balance sheet each year, which sets out our reserves. Our reserves remain unchanged from last year at a healthy £222k; the reserves belong to our partners, both founding and more recent partners.

Reserve(s) are allocated as per the partnership agreement, which, in summary, allocates any surplus (or deficit) in relation to the Partners funding provision.

The reserve and allocations are set out below: -

DAP Balance Sheet as at 31/03/22							
		Pro Rata split by fte as per Partnership Agreement					
Unrounded per DCC Accounts	Check	Plymouth	Torbay	Devon	Torridge	Mid Devon	North Devon
Original set up allocation%	42.38	13.6	11.3	17.48			
New allocation %		30.83	17.31	33.19	4.64	8.48	5.55
	£	£	£	£			
Original set up allocation	- 100,000.00	- 32,090.61	- 26,663.52	- 41,245.87	-	-	-
Cumulative surplus as at 31/3/21	- 121,043.72	- 60,113.48	1,409.01	- 59,051.92	- 1,311.14	- 1,976.19	-
Current assets and Liabilities	- 221,043.72	- 92,204.09	- 25,254.51	- 100,297.79	- 1,311.14	- 1,976.19	-
Activity		P0081	P0082	P0083	P0094	P0095	P0096
		Plymouth	Torbay	Devon	Torridge	Mid Devon	North Devon
Surplus 21/22	- 1,274.08	- 392.80	- 220.54	- 422.87	- 59.12	- 108.04	- 70.71
Reserve 31/3/22	- 222,317.80	- 92,596.89	- 25,475.05	- 100,720.66	- 1,370.26	- 2,084.23	- 70.71

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.
- 2.2 The requirement for a small bodies return has been removed, however the return contained some good elements of governance and enabled effective year on year comparisons to take place. For this reason, we set out below key information that formed the basis of the return and which, we consider, is "good practice" to continue.
- 2.4 We also provide three appendices that capture the key elements of the return: -
- Appendix 1 – Accounting Statements for 2021/22 – which contains the signature of Angie Sinclair, the S151 officer of DAP (this should be read in conjunction with the revenue outturn position at section 1)
 - Appendix 2 – Annual Governance Statement – to be approved by the Committee Chair.
 - Appendix 3 – Annual Internal Audit report for 2021/22 as prepared by Chris Gunn of SWAP

Legal Consideration: There are no specific legal considerations resulting from this report.

Environmental Impact Considerations (Including Climate Change): There are no environmental issues arising from this report.

Equality Considerations: There are no equality issues arising from this report.

Risk Management Considerations: No risks have been identified.

Public Health Impact: There are no public health issues arising from this report.

Robert Hutchins – Head of Devon Audit Partnership

18th May 2022

Robert Hutchins

Electoral Divisions: All
Local Government Act 1972

Contact for Enquiries: Robert Hutchins
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Background Paper	Date	File Ref
Nil		
There are no equality issues associated with this report		

Devon Audit Partnership - Accounting Statement for 2021/22

	Year ending		Notes & guidance
	31 March 2021 (£)	31 March 2022 (£)	
Balances brought forward	221,044	221,044	
+ Income	1,724,906	1,931,945	From partners and clients for all our services
+ other receipts			None for DAP
- staff costs	1,598,433	1,749,426	Salaries, wages, PAYE, NI and pension costs for all employees (Internal Audit & Counter Fraud)
- All other payments	126,472	181,245	
= Balances carried forward	221,044	222,318	
Total cash	-242,176	98,085	We have raised invoices promptly in 2021/22 to our partners and clients.
Total fixed assets			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 2022 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 (Angie Sinclair)

Date

Devon Audit Partnership – Annual Governance Statement 2021/22

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 2022 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



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22nd June 2022

Rob,

Please find attached Internal Audit Summary following completion of the Internal Audit of the 2021/22 Devon Audit Partnership Accounts.

Please pass on my thanks to your staff for their time and commitment in completing the audit process.

Regards

A handwritten signature in black ink, appearing to read 'Chris Gunn'.

Chris Gunn
SWAP Internal Audit Services

Financial Regulations and Scheme of Delegation

The Partnership Financial Regulations follow those of the Lead Partner and reflect good practice in financial administration.

Risk Register

The Partnership Strategic and Operational Risk Register was examined and there was clear evidence of periodic review to reflect the changes in the operational environment including the impact that Covid had on service delivery.

Budget Management

Budget management procedures were examined and found to be soundly based. The Head of Partnership is well supported by financial services in tracking of the Partnership budget throughout the year. Given the fine balance between income and costs in running the Partnership being able to accurately predict budget outturn is key. Periodic Budget Monitoring reports are produced and performance against the budget is reported to the Devon Audit Partnership Committee.

Expenditure

From a review of the FIMS system, sample checking of invoices and payments, the internal control framework is satisfactory and that the accounts will fairly represent the transactions of DAP for the 2021/22 financial year.

Payroll

Tight control of staffing levels is key to the management of costs with the Head of Partnership balancing Partnership staffing with Agency support. Examination of payroll transactions provided assurance that staff costs are effectively managed and correctly charged to the Partnership budget.

Income

The Head of Partnership has highlighted the risk that not all the predicted income may be achieved if audits are delayed or cancelled. However, with an expanding client base there is also an increased risk of not being able to collect all income due. The Partnership has sought to carry out client invoicing regularly and promptly in line with audit completion.

Cash

The Partnership cash balance included in the year-end Balance Sheet agreed with the balance included within the DCC main bank account, the make up and reconciliation of which was reviewed.