

# Internal Audit Review of SWAP

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## Introduction

The Board is collectively accountable for maintaining a sound system of internal control that supports the achievement of the SWAP's objectives, and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system. A key element in that flow of assurance is the annual opinion from the Company's Internal Auditors the Devon Audit Partnership.

## Resolution

1. That the Board notes the content of the report.

## Background

The purpose of the attached report is to contribute to the assurances available to the Chief Executive and the Board.

The report sets our Internal Auditor's opinion together with the summarised results of the internal audit work performed during the recent review.

The purpose of the audit was to review the systems of financial and other controls over our activities and to provide an opinion as to whether the operating procedures are working effectively and satisfactorily. The work was undertaken in accordance with the Public Sector Internal Audit Standards along with other best practice and professional standards.

I am pleased to report that the audit did not find any areas of concern and it is assuring to read that our auditors are confident that the processes in place are adequate to support our annual report and financial statements.

C. Gunn  
Company Secretary  
23<sup>rd</sup> April, 2015



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Date: 13 April 2015

When calling or telephoning please ask for: Robert Hutchins

Dear Gerry,

**Internal Audit report for the South West Audit Partnership 2014/15**

I can confirm that we have now completed our internal audit of the accounting arrangements for the South West Audit Partnership (SWAP) for the financial year ended 2014/15. I am pleased to report that our audit did not find any areas of concern and I am confident that the processes in place are adequate to support SWAP's annual report and financial statements.

The purpose of our audit was to review the systems of financial and other controls over the Partnership activities and to provide an opinion as to whether the operating procedures are working effectively and satisfactorily. Our work was undertaken in accordance with the Public Sector Internal Audit Standards along with other best practice and professional standards.

As part of the audit work we undertook an assessment of compliance with relevant procedures and controls and our findings are based on the areas examined and appropriate sample checking.

**Key Findings**

Our audit concluded that accounting statements prepared during the year were prepared on the correct accounting basis, were supported by an adequate audit trail from underlying records, and debtors and creditors were properly recorded.

All financial transactions relating to SWAP are recorded using the SAGE Financial Information Management System (FIMS) operated within the Partnership.

Orders are raised via FIMS and authorised by a member of SWAP's senior management team. Goods are receipted via the system and matched to the service/goods provided. Invoices are received and certified by the SWAP Admin staff and authorised by one of the SWAP senior management team.

A number of SWAP staff have procurement cards and statements are checked and reviewed by the admin staff and authorised by one of the senior management team. A review of a sample of procurement card payments confirmed that good systems of control were in place and purchases coded correctly.

Invoices are raised via the FIMS system and all income receipted and recorded on the system.

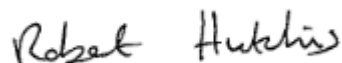
Payroll transactions are managed through South Somerset District Council and feed into FIMS on a monthly basis. A robust payroll checklist is maintained to administer and monitor the payroll on a monthly basis.

Regular bank reconciliations are performed and monthly budget monitoring reports are produced to ensure transactions are accurately recorded and any variances investigated and resolved.

From a review of the FIMS system reports, sample checking of invoices and payments, and the professional services provided by Francis Clark, Chartered Accountants, my view is that the internal control framework is satisfactory and that the accounts will fairly represent the transactions of SWAP for the 2014/15 financial year.

The Partnership has maintained a strategic risk register for a number of years, and the register is reviewed and updated on a quarterly basis and is a standing item taken to the quarterly board meetings. This identifies key strategic risks, current mitigating control measures and responsibility for managing those risks.

Yours sincerely



Robert Hutchins

**Head of Devon Audit Partnership**