



DEVON AUDIT PARTNERSHIP

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When calling or telephoning please ask for: Martin Gould

My Ref: MG/DAP/SWAPAUDIT

Your Ref: DP/DH

Dear Donna

Internal Audit report for the South West Audit Partnership 2010/11

I can confirm that I have now completed my internal audit of the accounting arrangements for the South West Audit Partnership (SWAP) for the year ended 31st March 2011. I am pleased to report that my audit did not find any areas of concern and I am confident that the processes in place are adequate to support the figures contained within the Statement of Accounts for SWAP.

The purpose of my 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. My work was undertaken in accordance with the Code of practice for the Internal Audit of local authorities in the United Kingdom as issued by CIPFA in 2006.

As part of the audit work I undertook an assessment of compliance with relevant procedures and controls and my findings are based on the areas examined and appropriate sample checking. I have also completed Section 4 of the Annual return for Small Bodies in England for the year ended 31 March 2011.

Key Findings

All financial transactions relating to SWAP are recorded using the CEDAR Financial Information Management System operated by South Somerset District Council (SSDC) who provide the accounting service for SWAP.

Orders are raised via the FIMS ordering module by the Admin staff and authorised on line 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 the Head of SWAP or one of the SWAP senior management team. Most invoices are input directly by SWAP, others are forwarded to SSDC for input.

A number of SWAP staff have purchase 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 Purchase 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 SSDC and feed into FIMS on a monthly basis. A salary monitor spreadsheet is used to monitor payroll costs and identify any variances from budget. In addition monthly reports from the payroll system are provided to the Head of SWAP to allow verification and identify any variances.

Regular bank reconciliations are performed for the SSDC accounts which include the balances for SWAP. 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 a review of the supporting spreadsheets for the final accounts, my view is that the internal control framework is satisfactory and that the accounts fairly represent the transactions of SWAP for the 2010/11 financial year. Satisfactory processes are in place to ensure all transactions have been accurately captured.

The Partnership has maintained a strategic risk register for a number of years, and the register is reviewed and updated on an annual basis and a report taken to the Partnership Committee in January each year. This identifies key strategic risks, current mitigating control measures and responsibility for managing those risks.

I am satisfied therefore that the control objectives identified in Section 4 of the Annual return for Small Bodies in England for the year ended 31 March 2011 are being achieved in all significant respects throughout the financial year to a standard adequate to meet the needs of SWAP.

Yours sincerely

MW Gould

Martin Gould BSc CPFA

Head of Devon Audit Partnership