

**Southern Internal Audit Partnership
Final Internal Audit Report**

Partnership for Urban South Hampshire (PUSH) 2013/14

Prepared by: Naomi Hopkins
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This document has only been distributed to these individuals:

Name	Title
Andy Lowe	Chief Financial Officer
Lynn Franklin	Finance Manager
Vicki Remsbery	Accounting Technician

1 Audit objectives

1.1 This review has sought to assess the effectiveness of controls in place focusing on those designed to mitigate risk in achieving the following key objectives:

- appropriate accounting records have been kept properly throughout the year;
- the body's financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for;
- the body assessed the significant risk to achieving its objectives and reviewed the adequacy of arrangements to manage these;
- the annual taxation or levy or funding requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored; and reserves were appropriate;
- expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for;.
- petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for;
- salaries to employees and allowances to members were paid in accordance with body approvals, and PAYE and NI requirements were properly applied;
- assets and investments registers were complete and accurate and properly maintained;
- periodic and year-end bank account reconciliations were properly carried out;
- accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, and where appropriate, debtors and creditors were properly recorded.

2 Audit opinion

2.1 The overall opinion of this review based on the audit evidence obtained, is that **substantial assurance** can be placed on the effectiveness of the framework of risk management, control and

governance designed to support the achievement of management objectives.

3 Executive summary

- 3.1 We have undertaken an internal audit of the Statement of Accounts for the Partnership for Urban South Hampshire for the year ended 31st March 2014. These are made up of an income and expenditure account, balance sheet, statement of movement on the general fund balance, cash flow statement as well as the supporting notes and calculations.
- 3.2 To ensure the integrity of the transactions we traced a sample of transactions from the 'ledger' back to supporting documentation to ensure that they were valid and appropriately authorised. A review was undertaken of debtors and creditors (accruals) for accuracy and consistency.
- 3.3 We checked the accuracy of the formula throughout the accounts to ensure that they were correct and the approach used was consistent.
- 3.4 We discussed any queries with the Accounting Technician in Corporate Finance and received suitable explanations where appropriate.
- 3.5 As required we have completed and signed Section 4 of the Small Bodies in England annual return for the year ended 31 March 2014.

4 Action plans

- 4.1 No issues requiring management action have been identified during this review.

Annex A**Key**

The following is the key to quantify observations identified in the audit:

Assurance levels

Opinion	Framework of governance, risk management and management control.
Substantial assurance	A sound framework of internal control is in place and is operating effectively. No risks to the achievement of system objectives have been identified.
Adequate assurance	Basically a sound framework of internal control with opportunities to improve controls and / or compliance with the control framework. No significant risks to the achievement of system objectives have been identified.
Limited assurance	Significant weakness identified in the framework of internal control and / or compliance with the control framework which could place the achievement of system objectives at risk.
No assurance	Fundamental weakness identified in the framework of internal control or the framework is ineffective or absent with significant risks to the achievement of system objectives.

Priority

Priority rating	Current risk
High	A significant risk of; failure to achieve objectives; fraud or impropriety; system breakdown; loss; or qualification of the accounts by the organisation's external auditors. Such risk could lead to adverse impact on the organisation or expose the organisation to criticism.
Medium	A serious, but not immediate risk of: failure to achieve objectives; system breakdown; or loss.
Low	Areas that individually have no major impact, but where management would benefit from improved risk management and / or have the opportunity to achieve greater efficiency and / or effectiveness.