

## Agenda item No: 4

### EAST MIDLANDS IMPROVEMENT AND EFFICIENCY PARTNERSHIP BOARD MEETING: 3<sup>rd</sup> February 2009

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#### Report of the Director

#### Final Income and Expenditure Statements and Audit Report for the EMCE/EMIP

1. Purpose of the report
  - 1.1 To present the EMCE/EMIP final income and expenditure statements and Audit Report for 2007//08
  
2. Background
  - 2.1 At the meeting on 15<sup>th</sup> January 2009 the EM IEP Officer Steering Group received the attached report detailing the final income and expenditure statements and Audit Report for the EMCE/EMIP. The Officer Steering Group recommends this report to the Board for noting.
  
3. Recommendation
  - 3.1 That the Board note the attached EMCE/EMIP Audit Report and statements for income and expenditure for 2007/08

**Chris Allison**  
**Director EM IEP**

**EAST MIDLANDS IMPROVEMENT AND EFFICIENCY PARTNERSHIP OFFICER  
STEERING GROUP 15<sup>th</sup> JANUARY 2009**

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**Report of the Director**

**To Present the Final Income and Expenditure Statements and Audit Report for the EMCE/EMIP**

1. Purpose of the report

- 1.1 To present the EMCE/EMIP final income and expenditure statements and audit report for 2007/08.

2. Background

- 2.1 As was the case in the previous financial year Nottinghamshire County Council submitted the EMCE and EMIP income and expenditure statements for independent review by Derby City Council, to comply with the grant conditions set out under section 31 of the Local Government Act 2003.

3. Final Income and Expenditure Statements for EMCE/EMIP for 2007/08

- 3.1 The financial accounts are produced by Nottinghamshire County Council (NCC) on behalf of the EMCE/EMIP. The final income and expenditure statements for EMCE/EMIP, submitted to the NCC Chief Finance Officer, are attached at appendix one.

4. Outcome of the Annual Audit 2007/2008

- 4.1 The audit report, attached, was prepared by Derby City Council and concerns the audit of the EMCE and EMIP accounts for the period 1<sup>st</sup> April 2007 to 31<sup>st</sup> March 2008. Nottinghamshire County Council, as financial services provider and host Authority, are satisfied with the reports findings. As in the case of the previous financial year there were no recommendations.
- 4.2 The analysis of income and expenditure in the audit report only details income received and expenditure for the financial year 2007/08. There is no account of grant balances brought forward from the previous financial year 2006/07 which amounted to £2,898,281 for EMIP and £1,424,912 for EMCE.

5. Recommendation

- 5.1 The Steering Group note the attached audit report and statements for income and expenditure EMCE/EMIP for 2007/08

**Chris Allison  
Director EM IEP**

## Appendix One

## East Midlands Improvement Partnership (EMIP) - Statement of Income &amp; Expenditure

Category	A/c	Description	2006/07		2007/08	
			£	£	£	£
<b>INCOME</b>						
Grants Inc	9104	CLG Income		-2,974,400		-410,200
Interest	8205	Interest from Balances Held		-84,878		-167,464
<b>Total Income</b>				<b>-3,059,278</b>		<b>-577,664</b>
<b>EXPENDITURE</b>						
<b>Major Projects</b>						
	1					
	2					
	3					
	4					
	5					
<b>Events</b>	3092	Rent/Hire Premises	0		0	
	4390	Stationery	0		0	
	4051	Course Material	0		0	
	4421	Printing	0		0	
	5031	Hospitality	0	0	0	0
<b>Training</b>	2909	Training	0		0	
	4611	Consultants	0	0	24,995	24,995
	3413					
<b>Miscellaneous</b>	6250	Financial Services Recharge	284	284	716	716
<b>Grants</b>			165,713	165,713	1,164,301	1,164,301
<b>Total Expenditure</b>				<b>165,997</b>		<b>1,190,012</b>
<b>SUMMARY</b>						
<b>Grant b/f</b>						-2,893,281
<b>Income</b>	9104			-2,974,400		-410,200
<b>Interest</b>	8205			-84,878		-167,464
<b>Expenditure</b>				165,997		1,190,012
<b>Grant c/f</b>				<b>-2,893,281</b>		<b>-2,280,933</b>

East Midlands Centre of Excellence - Statement of Income & Expenditure

Category	A/c	Description	2004/05 £	2005/06 £	2006/07 £	2007/08 £
<b>INCOME</b>						
Grants Income	9104		-1,550,000	Grant 2005-06 -1,600,000	Grant 2006-07 -1,050,000	Grant 2007-08 -1,040,000
Interest				-79,246	-100,793	-82,730
<b>Total Income</b>			<b>-1,550,000</b>	<b>-1,679,246</b>	<b>-1,150,793</b>	<b>-1,122,730</b>
<b>EXPENDITURE</b>						
<b>Major Projects</b>						
	1					
	2					
	3					
	4					
	5					
<b>Office</b>						
	3000	Minor Works		28,340	2,058	1,435
	3021	Security		138	755	433
	3070	Electricity				605
	3071	Gas			32	2,064
	3110	Rates		2,184	3,883	4,370
	3160	Cleaning Materials		146	0	0
	3161	Contract Cleaning		1,157	2,140	2,279
	3162	Refuse Collection/Disposal		157	460	286
	3501	Equipment	24	1,658	0	2,407
	3508	Equipment Repair		358	0	0
	3870	Books/Publications	99	676	511	333
	4390	Stationery	72	2,855	4,225	2,647
	4870	Postage		300	41	1,767
	4871	Phones General		0	0	166
	4872	Phones Installation		0	0	261
	4875	Phones Mobile		339	1,829	934
			<b>195</b>	<b>38,307</b>	<b>15,935</b>	<b>19,988</b>
<b>Staffing</b>						
	1610	Admin & Clerical Pay	0	148,065	280,335	245,137
	1618	Admin & Clerical NI	0	15,287	28,681	24,830
	1619	Admin & Clerical Sup	0	19,745	38,303	34,500
	1880	Temp Staff Pay	6,395	18,820	73,732	29,725
	1888	Temp Staff NI	515	1,598	4,783	2,741
	1889	Temp Staff Superann			4,624	1,217
	6250	Financial Services	30,793	4,161	2,560	2,612
	4611	Recharge Nottm City	25,000	22,333	0	0
			<b>62,703</b>	<b>230,009</b>	<b>433,018</b>	<b>340,762</b>
<b>Office Furniture</b>	3503	Furniture Purchase		16,062	0	0
<b>I.T.</b>						
	4971	Computer Equipment	10,040	24,519	3,433	1,924
	4980	Internet Charges	0	180	714	1,250
	4982	Software Maintenance	0	127	0	0
	4983	Hardware Maintenance	0	25	0	0
	6255	Internal Services	10,040	10	1,357	796
				<b>24,860</b>	<b>5,504</b>	<b>3,970</b>
<b>Marketing</b>						
	4991	Website Design	0	26,090	8,000	8,000
	4350	Advertising/Marketing	230	3,261	0	445
			<b>230</b>	<b>29,351</b>	<b>8,000</b>	<b>8,445</b>
<b>Travel</b>						
	2908	Lodging Allowance			463	0
	3210	Car Parking Fees		193	456	366
	3320	Rail Fares	920	4,785	8,688	8,516
	3321	Bus Fares		0	1	125
	3322	Taxi Fares	29	0	116	16
	3410	Mileage - Casual User	0	259	829	813
	3411	Mileage - Essential User	0	4,193	9,034	7,205
	3413	Essential User - Lump Sum	0	1,097	3,660	2,524
			<b>949</b>	<b>10,527</b>	<b>23,248</b>	<b>19,565</b>
<b>Miscellaneous</b>						
	2901	Staff Advertising	0	52,583	0	0
	2902	Interview Expenses	0	248	0	0
	2909	Training	930	2,604	6,090	8,783
	2919	Other Employee Expenses	0	189	0	0
	3093	Rent/Room Hire	5,455	2,098	8,964	11,373
	4051	Course Materials	0	0	0	0
	4421	Printing	5,457	5,340	17,886	20,974
	4500	Other Fees and Services	0	5,517	3,966	0
	4506	Training/Coaching Fees	0	614	0	0
	4611	Consultancy	23,122	67,580	4,125	0
	4870	Postage		55	892	0
	5030	Subsistence		186	615	231
	5031	Hospitality	791	1,878	1,711	1,592
	5033	Staff Conference	7,004	2,610	4,659	0
	5203	Bad Debts Write Off	0	2,140	0	0
	5250	Other Miscellaneous	0	-195	0	40
	5400	Insurance - Cash	0	33	52	55
	5401	Insurance - Legal Liability	0	333	517	543
	5402	Insurance - Personal Acc	0	33	52	55
	5406	Insurance - Computer	0	100	155	163
	5411	Insurance - Fire	0	200	310	326
	6262	Personnel Recharge		6,970	7,176	7,360
	6400	Capital Charges Depreciation		2,661	0	0
	6401	Capital Charges Interest		5,660	0	0
			<b>42,760</b>	<b>159,436</b>	<b>57,210</b>	<b>51,495</b>
<b>Events</b>			2,375	23,402	0	0
			<b>2,375</b>	<b>23,402</b>	<b>0</b>	<b>0</b>
<b>Grants</b>			13,200	327,651	1,428,477	1,737,328
			<b>13,200</b>	<b>327,651</b>	<b>1,428,477</b>	<b>1,737,328</b>
<b>Total Expenditure</b>			<b>132,452</b>	<b>859,605</b>	<b>1,971,391</b>	<b>2,181,553</b>
<b>SUMMARY</b>						
Grant b/f	9104		-1,550,000	Grant b/fwd -1,417,548	Grant b/fwd -2,237,189	Grant b/fwd -1,424,912
Income				-1,679,246	-1,150,793	-1,122,730
Income Misc	7400				-8,321	-13,993
Income Priv Tel Calls	6640					-2
Expenditure			-132,452	-859,605	-1,971,391	-2,181,553
<b>Grant c/f</b>			<b>-1,417,548</b>	<b>Grant c/fwd -2,237,189</b>	<b>Grant balance -1,424,912</b>	<b>Grant balance -380,083</b>



DERBY CITY COUNCIL

# Audit & Risk Management

## FINAL AUDIT REPORT East Midlands Centre of Excellence

November 2008

Version 1.0



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# Final Audit Report EMCE

## Table of Contents

1	Executive Summary.....	3
1.1	Reason for Audit.....	3
1.2	Scope of Audit.....	3
1.3	Distribution and Communication.....	4
1.4	Acknowledgements.....	4
2	Findings and Conclusions.....	5
	Appendix A.....	6
	<b>East Midlands Centre of Excellence</b> .....	6
	Appendix B.....	9
	<b>East Midlands Improvement Partnership</b> .....	9

## 1 Executive Summary

### 1.1 Reason for Audit

- 1.1.1 The East Midlands Centre of Excellence (EMCE) is required by the Department of Communities and Local Government to comply with the grant conditions set out under Section 31 of the Local Government Act 2003. Grant condition 3 states that 'as soon as possible after each financial year, the receiving authority must prepare a statement for its Regional Centre of Excellence, signed by the Chief Finance Officer, giving details of payments made to the Centre and expenditure undertaken by the Centre'.
- 1.1.2 This statement for the EMCE for the financial year ended 31 March 2008 was prepared by Nottinghamshire County Council (NCC), as receiving authority, and submitted to Derby City Council's Audit and Risk Management Section for independent review. The purpose of the review was to assess whether the statement is fairly presented. This fulfils grant condition 2 which requires that 'robust audited results are made available'. A copy of the statement is included in [Appendix A](#) to this report.
- 1.1.3 As was the case last year, Nottinghamshire County Council also submitted a statement for East Midlands Improvement Partnership (EMIP) for independent review. EMIP is the partnering organisation to EMCE whose role it is to ensure that all improvement and capacity building needs are addressed in a complementary manner avoiding duplication of work. EMIP is also responsible for building the capacity of its elected Members. A copy of this statement is included in [Appendix B](#) to this report.

### 1.2 Scope of Audit

- 1.2.1 In the absence of specific audit instructions or guidance provided by Government Office, the audit has been undertaken in accordance with best practice outlined in CIPFA's Code of Practice for Internal Audit in Local Government.
- 1.2.2 The following tests were undertaken:
- An overall reconciliation of the supporting transactions prints to the income and expenditure statements.
  - A sample of transactions contained in the income and expenditure statement was traced back to source documentations.
  - Income received was confirmed to the grant offer letters.
- 1.2.3 The audit also included a brief review of the financial management of projects funded by the Centre of Excellence.
- 1.2.4 The internal systems operated by Nottinghamshire County Council are subject to scrutiny by its own Internal Audit Section who confirmed that reliance could be placed on the systems operated. Therefore, the systems were not examined in detail, although the approval of invoices electronically and the documentation completed and retained relating to the approval of internal journal transfers was demonstrated.



# Final Audit Report EMCE

## 1.3 Distribution and Communication

1.3.1 This draft report has been issued to Chris Allison, Director EMCE.

1.3.2 This report was produced by Mark Allsop, Principal Auditor and Adrian Manifold, Audit Manager. Any enquiry concerning the content of this report or associated issues may be made to Mark Allsop, Principal Auditor on 01332 255685.

## 1.4 Acknowledgements

1.4.1 We would like to take this opportunity to thank those officers who provided us with information and data throughout the audit. In particular Lois Dale, Personal Assistant to the Director, Heather Parker, Programme Manager, and Michelle McDonald, Finance Officer (Nottinghamshire County Council).

## 2 Findings and Conclusions

- 2.1.1 We selected and examined a sample of transactions and the supporting documentation. Where coding labels were attached to these documents, each had been certified and initialled by at least two different officers, demonstrating adequate separation of duties.
- 2.1.2 As grants are paid through NCC, their payments section retains a copy of the payment form, with completed coding label. However, during the audit, the files held by the Program Manager (EMCE) were referred to as these included all other information pertinent to each project.
- 2.1.3 A sample of five EMCE projects and seven EMIP projects where grant payments had been made were examined. The 2007/08 projects were all certified for payment by the Director EMCE and had also been initialled by the Programme Manager, who is responsible for the management of all EMCE/EMIP grant payments. We found that each grant file had all relevant documents pertaining to each grant including the documentation authorising the payment.
- 2.1.4 We confirmed that the EMCE grant amount was received in accordance with the grant determination and was duly receipted in NCC's bank account.
- 2.1.5 We confirmed that EMCE/EMIP budgets set for each financial year were monitored and reported through to EMCE Management Board on a monthly basis and EMCE/EMIP continues to report financial performance to their management board every quarter. We are satisfied that the Board are being kept up to date with progress for specific projects as well as overall performance.
- 2.1.6 The accounts produced by NCC on behalf of the EMCE/EMIP will be submitted to the NCC Chief Finance Officer, the EM Regional & Efficiency Partnership Officer Steering Group on 15 January 2009 and the EM Partnership Board on 3rd February 2009.
- 2.1.7 We confirmed that the income and expenditure statements for EMCE and EMIP, presented for the 2007/08 financial year, were both supported by adequate working papers and documentation. We are satisfied that the financial information is fairly presented.

**East Midlands Centre of Excellence**

Category	Description	2007/08	
		£	£
<b><u>INCOME</u></b>			
Grants Income			1,000,000
Other Fees & Income		40,000	
Interest		82,730	
<b><u>Total Income</u></b>			<b><u>1,122,730</u></b>

# Final Audit Report

## EMCE

### EXPENDITURE

#### Major Projects

<b>Office</b>	Minor Works	1,435	
	Security	433	
	Electricity	605	
	Gas	2,064	
	Rates	4,370	
	Cleaning Materials	0	
	Contract Cleaning	2,279	
	Refuse Collection/Disposal	286	
	Equipment	2,407	
	Equipment Repair	0	
	Books/Publications	333	
	Stationery	2,647	
	Postage	1,767	
	Phones General	166	
	Phones Installation	261	
	Phones Mobile	934	<b>19,987</b>
<b>Staffing</b>	Admin & Clerical Pay	245,137	
	Admin & Clerical NI	24,830	
	Admin & Clerical Sup	34,500	
	Temp Staff Pay	29,725	
	Temp Staff NI	2,741	
	Temp Staff Sup	1,217	
	Financial Services (C Allison)	2,612	
	Recharge Nottm City - K. Gordon	0	<b>340,762</b>
<b>Office Furniture</b>	Furniture Purchase	0	<b>0</b>
<b>I.T.</b>	Computer Equipment	1,924	
	Internet Charges	1,250	
	Software Maintenance	0	
	Hardware Maintenance	0	
	Internal Services	796	<b>3,970</b>
<b>Marketing</b>	Website Design	8,000	
	Advertising/Marketing	445	<b>8,445</b>
<b>Travel</b>	Lodging Allowance	0	
	Car Parking Fees	366	
	Rail Fares	8,516	

# Final Audit Report

## EMCE

	Bus Fares	125	
	Taxi Fares	16	
	Mileage - Casual User	813	
	Mileage - Essential User	7,205	
	Essential User - Lump Sum	2,524	<b>19,565</b>
<b>Miscellaneous</b>	Staff Advertising	0	
	Interview Expenses	0	
	Training	8,783	
	Other Employee Expenses	0	
	Rent/Room Hire	11,373	
	Course Materials	0	
	Printing	20,974	
	Other Fees and Services	0	
	Training/Coaching Fees	0	
	Consultancy	0	
	Postage	0	
	Subsistence	231	
	Hospitality	1,592	
	Staff Conference	0	
	Bad Debts Write Off	0	
	Other Miscellaneous	40	
	Insurance - Cash	55	
	Insurance - Legal Liability	543	
	Insurance - Personal Acc	55	
	Insurance - Computer	163	
	Insurance - Fire	326	
	Personnel Recharge	7,360	
	Capital Charges Depreciation	0	
	Capital Charges Interest	0	<b>51,495</b>
<b>Events</b>		0	<b>0</b>
<b>Grants</b>		1,737,328	<b>1,737,328</b>
<b><u>Total Expenditure</u></b>			<b>2,181,552</b>
	Excess of expenditure over income		<b>1,058,822</b>

**East Midlands Improvement Partnership**

Category	Description	2007/08	
		£	£
<b><u>INCOME</u></b>			
Grants Income			410,200
Interest			167,464
<b><u>Total Income</u></b>			<b>577,664</b>
<b><u>EXPENDITURE</u></b>			
<b>Major Projects</b>			
<b>Events</b>	Rent/Hire Premises	0	
	Stationery	0	
	Course Material	0	
	Printing	0	
	Hospitality	0	<b>0</b>
<b>Training</b>	Training	0	
	Consultants	24,995	<b>24,995</b>
<b>Miscellaneous</b>	Financial Services Recharge	716	<b>716</b>
<b>Grants</b>		1,164,301	<b>1,164,301</b>
<b><u>Total Expenditure</u></b>			<b>1,190,012</b>
	Excess of expenditure over income		<b>612,348</b>