



## AUDIT SERVICES REPORT

### NuLeAF - Audit of Accounts 2014-15

Lead Auditor: Kelly Wade  
Date of Audit: 27/5/2015  
Audit Reference: FUND/005



Information on fraud awareness can be found [here](#)

## **EXECUTIVE SUMMARY**

The Income and Expenditure Statement compiled by the Business Support Co-ordinator has been checked and verified by Audit. Please find a copy of the Income and Expenditure Statement attached in Appendix A of this report for reference purposes.

Audit Services found the records provided (both manual and electronic) to be in order. Administration and audit trails are clear, concise and easy to follow.

The supporting documentation for a sample of transactions has been checked and verified by Audit Services to Suffolk County Council's (SCC) accounting system (Oracle Financials). There were minor findings which are low-risk, and as such have not been included in this report, and the Business Support Co-ordinator has been notified of them for future reference. The audit findings do not have any materiality regarding the accounts.

It was noted in last year's audit 2013-2014 that the reserves have reduced 11.05% due to a deficit of £10,858.93. For 2014-2015 the reserves have been further reduced by 13.85% due to a deficit of £12121.72. This, along with the audit findings, has been discussed with Catherine Draper, NuLeAF's Business Support Co-ordinator. The Business Support Co-ordinator is fully aware of the situation and as advised to Audit Services in last year's report that following a cut in NuLeAF's funding several years ago, commissioned work had made up the shortfall in some financial years, but now other avenues of income are being investigated.

For 2014-2015 SCC Finance decided that NuLeAF were no longer able to create General Debt invoices for membership fees. Payment Request Forms are now being used instead. The audit review evidenced the reconciling difficulties for payments received into the cost centre. After discussion with the finance team, it was advised to improve the process of reconciling payments received for membership subscriptions, the Payment Request number should be quoted when making payment. The Business Support Co-ordinator needs to send a copy of every Payment Request Form generated to the income team within finance. When the payment is received the Payment Request number will be quoted in Oracle.

The overall opinion of the report is deemed that controls are operating at **High Standard** level.

## **Background**

The Nuclear Legacy Advisory Forum (NuLeAF) is a formally established Special Interest Group of the Local Government Association, with their remit encompassing all aspects of the management of the UK's nuclear legacy. This includes the implications for legacy management of any developments that are likely to impact on that management.

NuLeAF's primary objectives are to provide a mechanism to identify, where possible, a common, local government viewpoint on nuclear legacy management issues; - to represent that viewpoint, or the range of views of its member authorities, in discussion with national bodies, including Government, the Nuclear Decommissioning Agencies and the regulators; - to seek to influence policy and strategy for nuclear legacy management in the interests of affected communities; and - to develop the capacity of its member authorities to engage with nuclear legacy management at a local level.

Membership of NuLeAF is open to all local authorities in England and Wales. A member authority can be either:

Contributing: a member authority that makes an annual financial contribution to help meet the costs of running the organisation; and

Corresponding: a member authority that wishes to express support for NuLeAF but which does not make an annual financial contribution.

NuLeAF's budget account will be held by a member authority acting on NuLeAF's behalf, and that member authority will act as the "accounting authority". Suffolk County Council (S.C.C) has undertaken this role since October 2007.

NuLeAF financial management is undertaken through Suffolk County Council's systems, therefore reliance can be placed on the accounting systems through annual audit work undertaken on these systems.

The majority of income relates to a grant, with additional income gained through contributing member authorities and through Regional seminars held by NuLeAF - these can be identified within the Income and Expenditure Account produced by NuLeAF and provided to Audit Services by the Business Support Co-ordinator, Catherine Draper.

**Objectives & Scope of Review**

An audit review of the accounts to be undertaken to provide assurance to the steering group that the accounts are in order.

Auditing the accounts of NuLeAF by reconciling the Income and Expenditure account produced by the Business Support Co-ordinator with the transactions recorded in Oracle.

Ensuring an adequate audit trail is maintained by checking a sample of supplier invoices along with payment vouchers and other documentation which has been provided to Audit Services in a file by the Business Support Co-ordinator.

**Audit Opinions and Action Plan**

The following table defines the areas examined in the course of the audit and opinions on how these are being controlled. The detailed action plan including findings and agreed actions should be used by management to improve the system controls.

<b>SUBJECT AREA</b>	<b>OPINION</b>
<b>OVERALL</b>	<b>High Standard</b>

**Audit Opinion Definitions**

<b>High Standard (full assurance)</b>	<i>There is a sound system of control designed to achieve the system objectives and manage the risks to achieving those objectives</i>
<b>Effective (substantial assurance)</b>	<i>Whilst there is basically a sound system of control, there are some weaknesses, which put some of the system objectives at risk</i>
<b>Ineffective (moderate assurance)</b>	<i>There are weaknesses in key areas in the systems of control, which put the system objectives at risk</i>
<b>Poor (limited/no assurance)</b>	<i>Control is generally weak, leaving the system open to significant error or abuse</i>

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**Appendix A - INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDING 31 MARCH 2015**

<b>Income</b>	
Contributions from local authorities	£ 21,355.00
Grants	£ 75,000.00
Seminar income	£ 900.00
	£97,255.00
<b>Expenditure</b>	
Salaries, wages and oncosts	£ 98,531.55
Travel expenses	£ 3,238.37
Accommodation	£ 1,289.67
Subsistence	£ 470.71
Room hire and catering	£ 3,121.52
Printing, postage, stationery, IT consumables & miscellaneous	£ 350.79
IT costs	£ 533.15
Communication charges - CD	£ 378.59
Communication charges - PM	£ 930.69
Audit	£ 531.68
	<u>£109,376.72</u>
Deficit of income over Expenditure	-£12,121.72
<b>Balances as at 31 March 2015</b>	
Reserves brought forward at 1 April 2014	£87,547.36
Deficit	<u>-£12,121.72</u>
Reserves carried forward at 31 March 2015	<b>£75,425.64</b>

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