

# NWIFCA Quarterly Meeting: 11<sup>th</sup> March 2016: 11.00 a.m.

**AGENDA  
ITEM NO.  
5**

## FINANCIAL REPORT

### Purpose of Report

- To present the budget review to 31<sup>st</sup> January 2016
- To review and approve the effectiveness of independent audit (Annex A) and appointment of independent auditors

### Recommendations

- That the budget review to 31<sup>st</sup> January 2016 is approved
- That the effectiveness of independent audit is reviewed and approved and that Moore & Smalley LLP are appointed as independent auditors

#### 1. Budget Review to 31<sup>st</sup> January 2016

The statement for 10 months of the current financial year is below. There is currently a surplus; several large payments are due in March. Any surplus at the financial year end will go into reserves to finance the new patrol vessel.

NWIFCA BUDGET REVIEW TO 31 JANUARY 2016	01 April 2015 - 31 January 2016			
	ANNUAL BUDGET	BUDGET TO 31 JAN	ACTUAL TO 31 JAN	BETTER+/WORSE- THAN BUDGET
EXPENDITURE	£	£	£	£
Employees	876,237	735,766	678,807	56,959
Premises	52,850	47,342	44,869	2,473
Transport	309,346	172,249	134,457	37,792
Supplies/Services	61,300	53,093	40,709	12,384
Corporate	30,300	23,437	15,753	7,684
Total Expenditure	1,330,033	1,031,887	914,595	117,292
INCOME				
Levy	1,211,033	1,211,033	1,211,033	0
Shellfish sampling	15,000	2,736	2,736	0
Miscellaneous Income	0	0	0	0
DEFRA	0	0	40,835	40,835
Byelaw 3 Permit Fees	100,000	87,500	56,004	-31,500
Interest	4,000	3,333	6,291	2,958
Total Income	1,330,033	1,304,602	1,316,895	12,293
Surplus/-Deficit				129,585

#### 2. Review of Effectiveness of Independent Audit (Annex A) and Appointment of Independent Auditor for 2015-16 Audit

The review of effectiveness of internal audit at Annex A should be approved annually by the Authority. It is proposed that Moore & Smalley LLP be appointed as independent auditor for the year ending 31<sup>st</sup> March 2016.

**Finance Officer  
24 February 2016**

## ANNEX A

### REVIEW OF EFFECTIVENESS OF INTERNAL AUDIT

STANDARD	QUESTION	ANSWER	NWIFCA DETAIL
Scope of Independent Audit	Does the independent audit sufficiently cover all aspects of the financial controls relevant to the Authority? Are terms of reference in place and approved?	Yes	Moore & Smalley LLP conduct annual inspection and audit just after financial year end. Their report is submitted to the Authority for approval. Terms of reference are in place for this.
Independence	Is the Auditor independent?	Yes	Moore & Smalley LLP: <ul style="list-style-type: none"> <li>• act in accordance with financial regulations</li> <li>• have no other role within the Authority</li> <li>• report in their own name to management</li> <li>• have direct access to the CEO, FO and Clerk and any other staff or Authority members</li> </ul>
Competence	Is the Independent Auditor competent to carry out their work ethically, with integrity and objectivity?	Yes	Moore & Smalley are registered by the Institute of Chartered Accountants in England and Wales to carry out audit work. (Authorised and regulated by the Financial Services Authority.)
Relationships	Are the responsible officers (CEO, Clerk and FO) and Authority consulted in the audit plan?	Yes	FO will consult CEO and Clerk on the scope of audit. Responsibilities for officers to be defined in relation to internal control, risk management and fraud and corruption matters. Authority can request additional checks to be made by Auditor if required.
Audit Planning and reporting	Is there a plan for when the internal audit will take place? Does the plan properly take account of risk?	Yes	Internal Audit takes place April/May. Risk assessment and Audit plan reviewed annually.
Appointment of Independent Auditor for 2015-16	Should Moore & Smalley be re-appointed as Independent Auditor for the financial year 2015-16	Yes	<ul style="list-style-type: none"> <li>• meet all the criteria for an effective independent audit</li> <li>• provide reliable, reputable, thorough and prompt service</li> <li>• know NWIFCA systems well</li> <li>• facilitate compliance with any statutory audit requirements</li> </ul>