

SADIS COST RECOVERY & ADMINISTRATIVE GROUP (SCRAG)

FOURTH MEETING

(Bangkok, 4th and 5th November 2003)

AUDIT OF MET OFFICE SADIS COSTS

(Presented by the United Kingdom)

REFERENCES

SCRAG/3 Report

1. INTRODUCTION

- 1.1 The SCRAG/3 agreed in principle that the actual costs of providing the SADIS services by the UK Met Office be audited on an annual basis by PKF, a substantial firm of auditors who routinely provide internal audit services to the Met Office, before being presented to the SCRAG. However, the implementation of this procedure is subject to approval of the costs involved and terms of reference of such audits by the SCRAG/4 meeting.

2. DISCUSSION

- 2.1 The Met Office has investigated the cost information relating to SADIS that is available in its cost accounting system. Unfortunately it is not possible to extract or identify all the individual costs relating to the running of the SADIS System from the Met Office cost accounting system. For example, the Staff costs that relate to SADIS Administrative support, including Travel and Subsistence costs are not explicitly assigned to the operation of SADIS but held in a single cost centre which covers staff costs for all Met Office Civil Aviation Business.
- 2.2 The Met Office proposes therefore, that in order to meet the requirements of an audit that it should provide as much information as possible to the SCRAG about the SADIS costs to facilitate such an assessment. We therefore propose to supply copies of contracts or invoices where any 3rd party arrangements apply (e.g. Satellite lease, maintenance contracts) and secondly, where staff costs are involved to provide details of the tasks carried out by the respective posts, justification for the proportion of time used, and relate the actual costs

to the agreed capitation rates used for each grade of staff in the Met Office. PKF will be able substantiate that the capitation rates that we have used are reasonable.

- 2.3 It is suggested that SCRAG/5 review the relevant documentation and satisfy themselves of the efficacy of the data provided.
- 2.4 The Met Office is not proposing to make any charge for carrying out the work proposed. However, if this were to be required on an annual basis with appropriate adjustments to our cost accounting system then an additional cost may be incurred.

3 ACTION

The SCRAG/4 is asked to consider whether the above approach is acceptable, and if so, draw up terms of reference for the audit.

Proposed Terms of Reference for Audit of Met Office SADIS Costs

1. Met Office to provide detailed cost information relating to the operational and development costs of running SADIS, utilising invoices, contracts and staff capitation rates where applicable for the calendar year 2003. Note this spans two financial years used by the Met Office.
2. To request the Met Office auditors, PKF, to verify the staff capitation rates used.
3. Present the results of the analysis to SCRAG/5