

SADIS COST RECOVERY ADMINISTRATIVE GROUP

FIFTH MEETING

(Paris, 8th and 9th November 2004)

SADIS COST AUDIT

(Presented by the United Kingdom)

REFERENCES

SCRAG 3/4 Reports

1. INTRODUCTION

1.1 The SCRAG/4 agreed that the 2003 actual costs incurred by the UK Met Office for the provision of the SADIS service be audited by PKF before being presented to the SCRAG. The group adopted the following Terms of Reference for the audit:

Conclusion 4/5 –

The actual costs incurred by the UK Met Office for the provision of the SADIS service in 2003 will be submitted to an audit by the Met Office auditors, PKF, before being presented to the SCRAG. The objective of this audit is to ascertain that the costs charged by the UK Met Office under the SADIS agreement are allocated in conformity with the SADIS agreement and its annexes. In view of this objective, the UK Met Office is requested to:

- Provide detailed cost information relating to the operational and development costs of providing the SADIS service, utilising invoices, contracts and staff capitation rates where applicable for the calendar year 2003;

*- Request the UK Met Office auditors, PKF, to verify the staff capitation rates used;
and*

- Present the results of the analysis to the SCRAG at its fifth meeting.

2. DISCUSSION

A detailed analysis of the 2003 actual SADIS costs were submitted to PKF for auditing during September 2004. A hard copy of this detailed analysis will be available for inspection at the SCRAG meeting. A statement reflecting the auditor's findings is supplied at Attachment A. This demonstrates that PKF are satisfied that

the costs charged by the UK Met Office under the SADIS agreement are allocated in accordance with the SADIS agreement and its annexes.

3. CONCLUSION

The SCRAG is invited to examine the documentation provided to the auditors and the statement made by the auditors, PKF.

Attachment A to SCRAG5 WP/12



Accountants and business advisors

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Mr N Gait
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EX1 3PB

22 October 2004

Dear Sir

AUDIT OF MET OFFICE (UK) SADIS COSTS

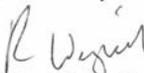
We have carried out our audit of the UK Met Office statement of costs for the calendar year 2003 in respect of SADIS as set out in Tables 1, 2 and 3 supported by the notes and annexes a to P. Our work has been undertaken so that we might identify and report material non compliances with the SADIS agreement and for no other purpose.

We planned and performed our audit so as to obtain all information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the statement of costs is free from material misstatement.

Based on the audit work carried out we are satisfied that the costs charged by the UK Met Office under the SADIS agreement are allocated in accordance with the SADIS agreement and its annexes. We can also confirm that we have checked the calculation of the capitation rates and are satisfied that they are appropriate and supported.

I trust that this is sufficient for your needs.

Yours faithfully


Richard Weighell
Partner