

---

**OUTSTANDING AUDIT RECOMMENDATIONS – STRATEGIC FINANCE**

---

**1. INTRODUCTION**

1.1 At the last Audit Committee in August 4 recommendations from Internal Audit related to Strategic Finance were past their implementation date and no further dates were given for implementation. The Audit Committee requested a report relating to these 4 recommendations which must include revised implementation dates.

**2. RECOMMENDATIONS**

2.1 The Audit Committee note the terms of this report and the revised implementation dates.

**3. DETAIL**

3.1 Budget Setting and Service Planning Procedures.

3.1.1 As part of an audit of budgeting procedures a fundamental recommendation was to achieve a better linkage between budget and service planning. This was to be reviewed as part of the comprehensive review of budgetary control. This was initially deferred pending completion of the Council restructuring. Following this it was further delayed pending the appointment of the Policy and Strategy Manager and Performance Manager, who are responsible for developing the service planning process, and the maternity leave of the Corporate Accounting Manager who would have led the finance/accounting input.

3.1.2 A Performance Manager has been appointed and the new service planning framework has been developed. The Corporate Financial Policy Officer, who is covering for the Corporate Accounting Manager, has held initial discussions with Policy & Strategy and it is the intention to have the revised service planning process in place for the 2006/07 budget and service planning exercises in next year. With this target in mind the linkages between the budget and service planning process will need to be developed by 31 May 2005. However this will be subject to refinement as improvements are identified for later years.

## 3.2. Budget Holder Training

3.2.1 A lack of training in financial control was identified as a fundamental weakness. It was agreed to provide a training programme for budget holders based on their needs and budgetary control arrangements. Again this was initially delayed through the reorganisation.

3.2.2 In developing a training programme it is sensible to ensure this relates to the process for budgetary control in place. Following the improvement in budgetary control within Education over the last 2 years it has been decided within Strategic Finance to roll out the procedures in place within Education to other areas of Community Services and then on a Council wide basis. Any training should be based upon those procedures and should be delivered when the new procedures will become operational.

3.2.3 Training on the procedures in Education has been made available to all budget holders in Education. The Education procedures have been implemented throughout the remainder of Community Services. Training will be made available to all remaining Community Service budget holders by 30 June 2005. For other services the new procedures will take effect from the 2005/2006 financial year with training being delivered by the end of June 2005. This will be the responsibility of each department Finance Manager.

## 3.3. Council Wide Budgetary Procedures and Budget Holder Responsibilities and Departmental Budgetary Procedures.

3.3.1 No Council wide procedures on the responsibilities of budget holders were identified. It was agreed to develop a set of such procedures and to prepare these in conjunction with the training programme.

3.3.2 A requirement for departments to develop their own procedures for applying the Council wide procedure to the department was identified. It was agreed to develop these procedures.

3.3.3 Both of these recommendations will be addressed by the roll out of the procedures in place within Education. The procedures in place with Education will form both the Council and local departmental procedures for all departments subject to any departmental tweaks. The timescale for the implementation of this is outlined in paragraph 3.2.3. For clarity

Community Services - Education procedures now in place for all Community Services

Other Services - To be implemented by 31 May 2005 to be effective for 2005/2006.