



FINAL

Internal Audit Report

Chief Executive

Budgetary Control

May 2008

Auditor: Lisa McGinn
Audit Manager: Alex Colligan

4 SUMMARY OF MAIN FINDINGS

- 4.1 Internal Audit found that the Financial Regulations are out of date due to the Executive superseding the Strategic Policy Committee.
- 4.2 The audit found that Departmental Finance Teams are not keeping the corporate accounting team updated with changes to budget holders and finance contacts.
- 4.3 The audit found that budget holders were not aware of virement limits.
- 4.4 Internal Audit found that the Development Services Finance Team does not supply Trial Balance reports to budget holders.
- 4.5 The Audit found that the budget holders do not respond to reports issued by finance contacts. It is left to the finance contact to follow up.
- 4.6 The audit found that no overall procedures are in place for budget monitoring.
- 4.7 The audit found that there was no end of year review on actual expenditure against forecasts.

APPENDIX 2

ACTION PLAN

ACTION PLAN NO	PARAGRAPH	GRADE	WEAKNESSES IDENTIFIED	AGREED ACTION	RESPONSIBLE OFFICER	DATE OF IMPLEMENTATION
3	1.4	Material	Not all Budget Holders are aware of any virement limits or their responsibility under the Financial regulations. This could lead to an ineffective control of the budget.	Budget Holders should be reminded of relevant sections of the Financial Regulations. A programme of training should be given to Budget Holders as recommended by the Strategic Finance Best Value Review.	Head of Strategic Finance	June 2008 As per the Best Value Review of Strategic Finance
4	3.4	Material	By not supplying reports Development Services does not follow corporate procedure for budget monitoring. The Department, due to its small size, relies on informal communication therefore there is no audit trail for the process.	Budget Holders in Development Services should be supplied with regular monitoring reports. This will be addressed in the implementation plan arising from the Strategic Finance Best Value Review.	Development Services Finance Manager	July 2008

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5	3.5	Material	Budget Holders are relying on their Finance Contacts to word explanations and complete the budget monitoring process. Informal communication is relied upon reducing the audit trail.	Budget Holders should be reminded that they must provide a written response to the reports issued by their Finance Contact. This will be addressed in the implementation plan arising from the Strategic Finance Best Value Review.	Head of Strategic Finance	As per the Best Value Review of Strategic Finance
6	4.1	Material	For the process of Budget Monitoring there are no procedures in place, it relies on the professionalism and knowledge of the Finance teams. This leads to inconsistencies in the working practices between departments.	Procedures should be created for all departments. Following the Strategic Finance Best Value Review the budget process has to be reviewed and be tailored to the Budget Holder.	Head of Strategic Finance	31 March 2009