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PROGRESS REPORT FOR PERIOD TO 30 AUGUST 2002

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**1 Introduction**

- 1.1 The purpose of this report is to provide details of the progress, for the period to 30 August 2002, on the improvements to financial control within Education. The report will also highlight any new issues that have arisen and will outline the current status of the action plan, with any changes also being highlighted. In addition, details of any difficulties being encountered will be reported.

**2 Progress**

- 2.1 *This section provides details of tasks, previously identified, that have been completed and those that are still in progress.*

2.1.1 **Preparation of detailed revenue budget for 2002/2003** - the detailed costing exercise was completed, by the deadline stipulated within the action plan, with the outcome being that the funds required to deliver the current Education service is, approximately, 1.3 million more than the resources allocated to the service for 2002/2003. As a result, the Strategic Policy Committee, on 29 August 2002, approved a savings plan totalling 1.1 million and, in addition, the formulation of a core team to undertake a review of the Education service costs and delivery. The outcome of this review having to inform the budget preparation process for 2003/2004. In addition, further savings options will require to be identified to meet the shortfall, as discussed at Strategic Policy Committee.

2.1.2 **Meetings with budgets holders** - meetings with budget holders are now concentrating on budget monitoring. However, budget preparation, for 2003/2004, has commenced and budget holders will be fully involved in the process.

2.1.3 **Employee Budget Preparation** - the employee templates were completed for the current year, however, the task of ensuring that costs are being allocated correctly will take a number of months to complete.

2.1.4 **Finance Consultation Group** - the first meeting of this group is due to take place on 4 September 2002. The group consists of all Secondary Head Teachers, Primary Area Co-ordinators, 2 further Primary Head Teachers and an Admin/Finance Assistant. The purpose of the Group is to discuss financial issues and reach agreement regarding necessary changes to procedure. The minutes from these meetings will be distributed to members of the Education Financial Monitoring Group.

- 2.2 *This section provides details of additional tasks that were not previously identified.*
- 2.2.1 The number of tasks, out with the action plan, continues to increase. It would not be practical to list all tasks, however, it should be noted that these tasks are an essential part of the ongoing success of the team. It's extremely important that budget holders request assistance / advice from the finance team, on an ad-hoc basis, as this will further strengthen the relationship and should also enhance the knowledge being gained by budget holders.
- 2.2.2 It has been agreed that the Education Finance Team provide support to the Education Review (refer to separate paper by Ronnie Gould, Head of Support Services) and the NPDO project. In terms of the Education Review the Accounting Manager is a member of the Core Team requiring an input of no less than 40 days between September and December. An Accountant from the team, on an adhoc basis, will also provide further support.
- 2.2.3 The details of the support to the NPDO have still to be agreed, however, the NPDO project budget will fund additional support costs and this will be used to employ an additional Accountant.

### **3 Problems / Difficulties**

- 3.1 *This section provides details of some of the difficulties that have been experienced.*
- 3.1.1 **Grant Claims** – grant claims and audited certificates, in respect of the New Opportunities Fund – ICT Training for Teachers, have not been submitted for 2 years. However, the year-end accounting entries in respect of the grant funding have been processed. Contact with the grant provider has been made and details have been received regarding the procedures to be followed in order to make backdated claims etc. Some progress has now been made, however, there is a difficulty identifying expenditure in 1999/2000 and monies for that period have been received. An update will be provided at the next meeting.
- 3.1.2 **Integrated Team** – the Team is now fully staffed, in accordance with previous decisions, and the structure has now been changed to take into account the additional challenges of the next few months.

### **4 Action Plan**

- 4.1 Appendix 1 outlines the main areas that will form the basis of the integrated action plan and provides details of target completion dates. This plan now incorporates the original KPMG plan and a cross reference is given, under the heading "Original ref." It should be noted that items relating to financial year 2001/2002, that is, recommendations 11, 12, 13 & 14, are no longer applicable. Target completion dates, which have not been achieved, are highlighted. It is not intended to incorporate any of the tasks associated with either the Review or the NPDO within the Action Plan.

## 5 Priorities for September to December

### 5.1 Action Plan:

- Implementing Oracle/DMR link and revising reconciliation procedures;
- Preparation of a detailed budget for 2003/2004 (refer to separate note);
- Implementation / ongoing review of monitoring procedures for budget holders in terms of corporate and departmental processes; and
- The alignment of expenditure / income to budget;

### 5.2 Education Review:

- Participation of Accounting Manager as a member of the Core Team with a minimum requirement of 40 days.
- Provision of support, on an adhoc basis, by Finance Team staff, as directed by the Accounting Manager.

### 5.3 NPDO:

- Provision of support to Project Team by Accounting Manager; and
- Provision of support, on an adhoc basis, by an Accountant, as directed by the Accounting Manager.