

ARGYLL & BUTE COUNCIL
INTERIM MANAGEMENT LETTER 2000/01
SEPTEMBER 2001 (Updated 9 JANUARY 2003)



DETAILED RECOMMENDATIONS

	Findings	Recommendation	Management Comment	Responsible Officer	Update as at 18/03/02	Update as at 20/06/02	Update as at 11/10/02	Update as at 09/01/03
2.02	<p>Education budget has not been appropriately phased</p> <p>Our review of the Education monthly budget monitoring reports highlighted that a number of material variance had arisen because the budget had not been phased appropriately throughout the year.</p> <p>The budget does not therefore reflect the income and expenditure fluctuations throughout the year. This increases the complexity of departmental monitoring and variance reporting and carries a risk of misinterpretation.</p>	<p>The department should review income and expenditure patterns across the major lines of service to ensure that effective profiling of budgets can be carried out to provide a realistic reflection of departmental income and expenditure activity.</p>	<p>Finance and Education staff have undertaken a major exercise jointly. The cause of many of the phasing issues had been the expansion of new projects within the Excellence Fund and the provision of funding direct to Head teachers.</p> <p>Considerable scope existed for budget holders to decide upon the spend, eg, staffing, materials or repairs. In addition, some projects required consultation with partners before plans were implemented. As the programmes become more stable, the issue will diminish. Finally, a review will be undertaken on the</p>	<p>Joseph McGeer (Now the responsibility of the Finance Team, Dunoan and future reports will reflect this)</p>	<p>Ongoing</p> <p>In process, but Director of Finance is directly responsible</p>	<p>An action plan has been prepared to address the improvements required in financial control within Education. This is a much wider issue than that identified by PWC. The action plan is currently being progressed by an augmented finance team for Education. A monitoring group of members and senior officials has been established to review progress against the action plan. The Group is reporting progress to the Strategic Policy</p>	<p>An action plan has been prepared to address the improvements required in financial control within Education. This is a much wider issue than that identified by PWC. The action plan is currently being progressed by an augmented finance team for Education. A monitoring group of members and senior officials has been established to review progress against the action plan. The Group is reporting progress to the Strategic Policy</p>	<p>Progress is being made and the action plan continues until March 2003</p>

APPENDIX 2

Findings	Recommendation	Management Comment	Responsible Officer	Update as at 18/03/02	Update as at 20/06/02	Update as at 11/10/02	Update as at 09/01/03
		timing of the invoices from other departments of the Council.			Committee. The action plan continues until March 2003.	Committee. The action plan continues until March 2003	