

EAST AYRSHIRE COUNCIL

BUDGET SCRUTINY GROUP

REPORT OF MEETING HELD ON THURSDAY 14 MARCH 2002 AT 1005 HRS IN THE CHIEF EXECUTIVE'S CONFERENCE ROOM, COUNCIL HEADQUARTERS, LONDON ROAD, KILMARNOCK

PRESENT: Councillors Eric Jackson, Harry Wilson, John Knapp and Jimmy Carmichael; David Montgomery, Chief Executive; and Alex McPhee, Director of Finance.

ATTENDING: Tom McHugh, Head of Accounting Services; Ian Arnott, Corporate Accounting Manager; Julie Jamieson, Financial Services Manager (Corporate Accounting); and Jennifer Morrison, Administrative Officer.

APOLOGIES: Councillors Drew McIntyre, Douglas Reid and Finlay MacLean.

CHAIR: Councillor Eric Jackson.

REPORT OF BUDGET SCRUTINY MEETING HELD ON 6 FEBRUARY 2002

1. There was submitted and noted report of meeting held on 6 February 2002 (circulated).

BUDGETARY CONTROL STATEMENT - GENERAL SERVICES REVENUE ACCOUNT TO 10 FEBRUARY 2002 (PERIOD 11)

2. There was submitted a report dated 11 March 2002 (circulated) by the Director of Finance which advised of the current budgetary control position of the General Services Revenue Account for the period ended 10 February 2002 (Period 11).

The Director of Finance reported on the projected surplus for the year of some £911,000; again this monthly trend is moving in the right direction from £797,000 last month.

2.1 EDUCATIONAL SERVICES

The Director of Finance reported that while the Director of Educational and Social Services had given an assurance to out-turn on budget, concerns had arisen over the reconciliation by Education of amounts within SEEMIS to those in the Corporate Financial Ledger and in particular the use of the SEEMIS system to manage that part of the Education budget which is not devolved to schools.

Since the last meeting it had been identified that the commitment of costs in relation to the Educational and Behavioural Difficulties Sector had exceeded budget provision. Existing systems arrangements had not allowed the emergence of the situation to be identified earlier in the year. The issue had arisen from decisions as to the appropriate provision for an increasing number of young people which are taken case by case over the course of a year, with financial consequences which cannot be accurately predicted in advance of the financial year.

It was noted that the Director of Educational and Social Services had redirected funds from lower priority items which did not impinge on front line services to meet this over commitment.

The Group at this point received a joint report tabled by the Directors of Educational and Social Services and Finance, advising of the urgent action being taken to address the wider budget monitoring issues arising from this including the establishment of a joint working group. The role of the joint working group being to review existing budgetary procedures, particularly for the monitoring of the expenditure of non school budgets within Education and to take full advantage of the opportunity presented by the new corporate financial system due to become operational on 1 April 2002.

It was noted that, in addition, the Director of Educational and Social Services had identified the scope for merging certain particular individual budget elements where there was shared activity involving the interests of the Educational and Social Work Committees, with consequent monitoring benefits. This would, however, be a matter for him to pursue with these Committees in due course.

Councillor Knapp joined the meeting at this point.

The Group then had the opportunity to examine the report prior to the Director of Educational and Social Services joining the meeting.

The Group stressed to the Director of Educational and Social Services that concerns surrounding the reconciliation of the Education budget to the Corporate Financial Ledger had been ongoing for some time and that it was clear that the issue needed to be properly resolved without further delay in order that all of the information being used for budgetary control was current. It was acknowledged that the focus of previous concerns related to internal budget relationships and time lags which impeded the monitoring process rather than to overall expenditure as such.

The Director noted these concerns and assured the Group that the issues would be resolved with enhanced procedural controls having already been put in place for the reconciliation of transactions in the corporate financial system with those in SEEMIS as a first step.

The Group also agreed that it receive regular updates on progress towards resolution of the systems issues from the Director of Educational and Social Services until the matter was resolved.

The Director of Educational and Social Services left the meeting.

2.2 SOCIAL SERVICES

The Director of Finance noted that an overspend of £74,000 was currently projected, but that the Director of Educational and Social Services was working towards bringing the budget on line by year end.

Otherwise, no new issues were noted.

2.3 COMMUNITY SERVICES

The Group noted the projected surplus of £11,000 and otherwise noted the contents of the report.

Councillor Carmichael left the meeting at this point.

2.4 DEVELOPMENT SERVICES

The Group noted the projected breakeven position and otherwise noted the contents of the report.

2.5 CENTRAL SERVICES

The Group noted the projected underspend of £35,000.

2.6 CORPORATE RESOURCES

The Group noted the projected underspend of £36,000.

2.7 HOMES AND TECHNICAL SERVICES

The Group noted the projected underspend of £5,000, and otherwise noted the contents of the report.

HOUSING REVENUE ACCOUNT TO 10 FEBRUARY 2002 (PERIOD 11)

3. There was submitted a joint report dated 26 February 2002 (circulated) by the Directors of Finance and of Homes and Technical Services which advised of the current budgetary control position of the Housing Revenue Account for the period ended 10 February 2002 (Period 11).

The Group noted the projected surplus of £270,000 and otherwise noted the contents of the report.

TRADING SERVICES TO 10 FEBRUARY 2002 (PERIOD 11)

4. There was submitted a report dated 26 February 2002 (circulated) by the Director of Finance which advised of the current budgetary control position of the Trading Services of the Council for the period ended 10 February 2002 (Period 11).

A copy of the Trading Services Operating Statement was made available to Members for one hour before, and also at the meeting.

The Group noted the contents of the report.

GENERAL SERVICES CAPITAL PROGRAMME TO PERIOD 11

5. There was submitted a report dated 26 February 2002 (circulated) by the Director of Finance which updated on the projected out-turn of the General Services Capital Programme for the current financial year.

It was noted that for the Dalmellington Area Centre agreement on some aspects of the sharing of funding costs was still being finalised with the Partner bodies.

The Group otherwise noted the report.

HOUSING CAPITAL PROGRAMME TO PERIOD 11

6. There was submitted a report dated 5 February 2002 (circulated) by the Director of Finance which updated on the current projected out-turn position for the Housing Capital Programme 2001/02.

The Director of Finance reported that expenditure was projected to be overspent by £30,000, however, this was well within the Section 94 consent limits.

The Group otherwise noted the contents of the report.

The meeting terminated at 1050 hrs.

AGENDA
