

Type: System **SUBJECT: Budgetary Control** Date: September 2008

Introduction

The budget setting and control systems are core process functions of the Authority and are subject to an annual audit as part of the joint working arrangements with the Audit Commission.

The main part of the Budget, some 70% +, is made up of employee costs. There is about 6% of the overall budget involving supplies and services directly controlled by managers. The Constitution contains the Budgetary Framework, Policy, Regulations, Procedures and Virement process. A budget control document is produced for Members and Staff.

Scope and Coverage

The audit review was undertaken using the systems-based auditing approach, identifying the system and controls, evaluating and testing in relation to the system objectives.

All documentation has been updated as appropriate. Findings, conclusions and recommendations have been discussed with management prior to being included in a formal report or memorandum.

The audit examines the main internal controls of the budget compilation process, verifies the loading of the Budget onto the Ledger and confirms the budgetary control function. The setting process for 2008/09 and the control function for 2007/08 have been examined.

Recommendations

High/Significant risk recommendations - none

A number of recommendations were made all of which are low risk.

Governance Statement Assessment

The assurance level for this system is high, with no major weaknesses identified. Better use of the Agresso system's reporting facilities has seen improved budget control and monitoring information.