
**LIFELONG LEARNING BUDGET - REPORT OF INDEPENDENT
ACCOUNTANTS**

Report of the Chief Finance Officer

1. Introduction

- 1.1 The purpose of this report is to present RSM Robson Rhodes' findings on the review of the budgetary problems in the Lifelong Learning Division, and ask Cabinet to endorse the action it is proposed to take.

2. Background

- 2.1 The Lifelong Learning Division of the Education Department overspent by £1.2m in 2004/05 and was facing an over-commitment of £2.3m in a full year. This was not established until very late in 2004/05.
- 2.2 Action to bring the budget under control (the recovery plan) is being considered as a separate item on your agenda.
- 2.3 Independent accountants RSM Robson Rhodes were appointed to investigate the reasons for the problems. Their brief was to:
- understand the background to the over-commitment and to ascertain the reasons why it happened; and
 - identify the lessons to be learnt by LCC, and to make recommendations for mitigating such a situation arising in the future.
- 2.4 They had no brief to help with the recovery plan.

3. Review

- 3.1 Robson Rhodes work has now concluded, and they have issued a report. The executive summary has been made public, and is attached. The detailed report must remain a confidential document until the conclusion of investigations about the actions of individual officers under the Council's HR procedures. **It is essential that members do not make public comments about the role of individual officers.** This would not only be unfair to staff, but could jeopardise any remedial action taken under Council procedures.

4. Action Plan

4.1 The proposed action plan is shown in the supporting information to this report. It is based on Robson Rhodes' recommendations in paras 130 to 135 of their report, together with proposed additional action. Members are asked to note the context of the action plan which is that the Council's financial regulations and protocols have been found to be fit for purpose. Action is therefore directed towards ensuring they are properly and consistently applied in the future.

4.2 Much of the action in the plan is already taking place.

5. Recommendations

5.1 Members are asked to endorse the proposed action plan.

6. Financial Implications

6.1 The estimated final cost of Robson Rhodes' review is £32,000.

7. Legal Implications (Peter Nicholls)

7.1 The main legal point at this stage is to ensure compliance with confidentiality is maintained.

8. Other Implications

<u>Other Implications</u>	<u>Yes/No</u>	<u>Paragraph References within Supporting Papers</u>
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Crime & Disorder	No	
Human Rights Act	No	
Elderly People/People on Low Income	No	

9. Report Author/Officer to Contact

Mark Noble
Chief Financial Officer
31 May 2005

DECISION STATUS

Key Decision	No
Reason	
Appeared in Forward Plan	No
Executive or Council Decision	Executive (Cabinet)

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SUPPORTING INFORMATION

1. Proposed Action Plan

	Action	Date to be completed	Responsible Officer
Organisational Review Protocol	Protocol for organisational reviews to be amended, to make clear they must be read in the context of other corporate guidance on project management.	September 2005	Service Director (HR)
	Review member role in future organisational reviews.	September 2005	Service Director (HR)
Project Management	Review project management methodologies to contain more explicit guidance on organisational reviews.	September 2005	Service Director (Property)
	Project management skills development (including skills audit) to be included in the training programme currently being arranged.	In-hand	Service Director (Property)
Finance Management	Ensure future departmental revenue strategies properly address issues of risk.	Will be dealt with in the 2006/07 budget preparation guidelines (July '05).	Chief Finance Officer
	Skills assessment of financial management roles in LL&LD.	End June 2005	Chief Finance Officer/Head of Finance (Education)

	Action	Date to be completed	Responsible Officer
	Training programme for LL&CD staff to be developed and delivered.	End September 2005	Head of Finance (Education)
	Development of system of assurances regarding future departmental budget monitoring.	June 2005	Chief Finance Officer

Mark Noble
Chief Finance Officer
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