

Wards Affected:*'All Wards'***Added Value Review – Budget Management Demand Led Budgets**

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Executive Summary:

As part of the programme of 'Added Value' reviews as requested by the Audit Committee, this audit has been completed to provide assurance to the Committee that robust budget management arrangements exist within Milton Keynes Council.

In addition, the report addresses the concerns raised in the Budget Scrutiny referral relating to the non-delivery of the 2016/17 £100k medium term budget saving in respect of the CRC Contract.

1. Recommendation(s)

- a. That the Committee notes the findings and conclusions of the 'Added Value' review into Budget Management arrangements and practices with MKC, which further address the concerns of the Budget Scrutiny referral.

2. Issues

- 2.1 This audit has been completed as an 'Added Value' review for the Audit Committee. The Control Objectives were to provide assurance to the Audit Committee that robust budget management arrangements exist within Milton Keynes Council, with particular emphasis and focus placed on demand led budgets. Including but not limited to:
 - Documentation of the defined budget management arrangements in place within MKC including reporting requirements;
 - Confirmation of the roles and responsibilities to support effective and robust budget management activities;
 - Specific testing of a sample of demand led budgets to confirm ongoing effective budget management activities.
- 2.2 It should be noted that this audit takes into consideration the findings and assurances obtained from the previous Budget Management audit completed in December 2016. Further, the scope of this audit has been restricted to Budget Management / Monitoring arrangements and does not comment on Budget Setting activities, as this will be subject to a more detailed audit and delivered as part of the approved 2017/18 audit plan.

2.3 In addition, the report concludes on the Budget Scrutiny referral in respect of the 2016/17 medium term financial saving relating to the CRC Contract.

3. Implications

3.1 The purpose of the Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority’s financial and non-financial performance to the extent that it affects the authority’s exposure to risk and weakness of the control environment and to oversee the financial reporting process.

3.2 This report has therefore been provided within this context to ensure the committee is able to perform its core function and to consider summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary.

4. Risk and Resources

None

X	Capital	x	Revenue	X	Accommodation
X	IT	x	Medium Term Plan	X	Asset Management

5. Other Implications

None

X	Equalities/Diversity	x	Sustainability	x	Human Rights
X	E-Government	x	Stakeholders	x	Crime and Disorder

Background Papers: