



FINANCE SERVICE PLAN

2009 - 2012

Draft Version 1.1 – Joint Committee – 17 December 2008

Shared Services Programme

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SECTION 1: KEY PURPOSE OF THE SERVICE

1.1 Scope of the Service

The overall objective is to provide high quality, efficient, robust and resilient services for audit, finance and fraud to the chief financial officers (s151 officers), members, budget holders, the public and employees of the two councils.

The services include the range of activities required to meet the s151 officers' responsibilities for a local authority. It consists of most of the services associated with the running of the finances of a local authority, including those aimed at servicing the corporate entity as well as those aimed at serving individual budget holders and service managers. Finance will be located in Rickmansworth although Internal Audit and Fraud will also have bases in both town halls to ensure their effectiveness and to achieve efficiencies.

Some services are excluded due to their having been included in other shared service work streams.

The functions are grouped into 4 main areas:

Accountancy

- Budget setting and reporting
- Month end and annual closing of ledgers
- Reconciliations of financial management and subsidiary source systems
- Budget monitoring reports
- Draft annual budgets
- Service planning including service level changes, revenue growth & savings and capital investment
- Forecasting (in conjunction with budget holders)
- Preparation and publication of Financial Statements
- Summary Financial Statements and Annual Reporting
- Whole of Government Accounts
- Preparation and completion of Government Returns for capital and revenue budgets, outturn and monitoring
- Annual Efficiency statements and returns
- External audit liaison
- Provision of financial advice to budget holders and Members
- Financial policies and procedures
- Income management and bank reconciliations
- Value Added Tax
- Review of the Financial Management System
- Treasury Management Policies & Investment Strategy
- Payroll Accounting including statutory deductions

Financial services

- Accounts payable
- Insurances and risk advice
- Investments

Internal Audit

- Risk based system audits
- Contract and IT audits
- Value for Money
- Advice
- Provision of assurance for effectiveness of controls and probity

Anti Fraud

- Benefit Fraud
- Corporate Fraud
- Anti-Fraud and Corruption Strategies

The Joint Committee Agreement specifies the following functions for Finance

- Making payments on behalf of the Councils;
- Maintaining the accounts of the Councils;
- Maintaining the system of purchase orders;
- The provision of an internal audit service
- Managing the operation of the Councils' insurances;
- Issuing guidance and providing advice to members and officers of the Councils on the financial procedure rules of the Councils;
- Providing training to officers working on financial matters;
- Monitoring the Councils' prudent financial management and compliance with approved accounting practices and reporting to members on these matters;
- Preparation of the Councils' annual statement of accounts;
- Maintenance of the Councils record of assets;
- Monitoring the financial administration of external partnerships and other organisations in which the Councils are involved;
- Undertaking Housing Benefit and Council Tax Benefit fraud investigations and prosecutions;
- Virement within Joint Committee Budgets

The Audit, Fraud and Finance services operate within a number of statutory provisions including secondary legislation and statutory codes of practice. These are outlined below:

Accountancy and Audit

- Local Government Act 1972 – arrangements for the proper administration of financial affairs
- Local Government Act 1988 – reports in the public interest
- Local Government Act 2000 – full Council on the recommendation of the Executive to set approve a budget. Scrutiny of the financial processes..
- Local Government Act 2003 – medium term financial planning, budgeting and prudent balances, Prudential Code for borrowing arrangements, opinion on robustness of budgets and adequacy of reserves, budget monitoring throughout the year with Member involvement.
- CIPFA Code of Practice for Internal Audit
- Accounts and Audit Regulations 2006– financial statements, publishing, internal audit
- Statutory Codes for financial accounting and best value accounting

Fraud

- Police and Criminal Evidence Act 1984
- Human Rights Act 1998
- Data Protection Act 1998
- Regulation of Investigatory Powers Act 2000
- Proceeds of Crime Act 2002
- Fraud Act 2006

Recent successes include:

Three Rivers

- Use of resources Level 3 achieved in 2007
- CIPFA benchmarking report cost of accountancy and staffing levels are low whilst achieving good quality and with high levels of customer satisfaction
- Achievement of Charter Mark in 2007 and its retention in 2008
- Successful transfer of housing to Thrive Homes
- Successful transfer of leisure facilities to a Leisure Trust

Watford

- External audit can place reliance on Internal Audit
- Internal Audit complies with CIPFA Code of Practice.
- Successful transfer of housing to Watford Community Housing Trust

Joint Arrangements

- Fraud – the Fraud teams in Watford and Three Rivers operate with shared management arrangements (since March 2008)
- Insurances – the Insurances services for both councils has been provided by one officer (since April 2008)
- Finance - there has been collaboration on internal recharges, financial statements formats, specification for the financial management system, accounting policies and procedures (since 2007)
- Procurement of cash and security arrangements
- Currently progressing banking services
- Training – Finance for Non-Finance Managers – current courses for 100 staff in both councils using external trainer and provided on-site in both locations

1.2 Contribution to Shared Services Objectives	
Savings	<p>For Finance Shared Services, savings will be reported through the Business Case.</p> <p>Efficiency and cash saving are anticipated from joint procurement of financial services, for example -</p> <ul style="list-style-type: none"> • Treasury management advice • Banking services • Insurance services • External advice for Value Added Tax • Reduction in management posts (Audit, Fraud and Accountancy) <p>All Finance processes will be aligned where possible together, taking account of both councils requirements, Finance Procedure Rules and Accounting Policies will be reviewed and similarly aligned for consistency and application. Both councils have the same firm of auditors appointed by the Audit Commission and improvements and efficiencies by using the same audit team will be sought.</p> <p>Medium term savings may be possible within the internal audit service. A management review in the lead up to the expiration of the currently outsourced service at Three Rivers will be undertaken. It will assess how the service can be developed and will consider procurement options to offer the best mix of operational service and best value.</p> <p>The Finance Shared Service will be pursuing the business of new clients for one or more of its functions with a view spread overheads on a wider base and secure other savings.</p>
Resilience	<p>Both current Finance sections are lean staffed and the shared services vacancy protocol has left Watford with few experienced senior staff. In Shared Services, vulnerability will exist in some areas, for example, there will be no significant cover for Insurances and VAT. Finance, will in any case, will have limited VAT expertise through loss of expert knowledge (this has been and continues to be addressed with intensive training). Service levels will be closely managed to minimise dips during times of vacancies, long term absences and holiday periods.</p> <p>Staff rotation at Finance Manager and Senior Accountant level will continue. This normally occurs on a three yearly cycle where accountants are re-assigned to services, finance functions and reporting staff. Early years improvements are likely to be more difficult given both the reduction in staffing levels with fewer and less experienced staff particularly at senior levels. This practice should mitigate the effects of lean staffing and provide flexibility for wider team working and to provide cover during times of absence.</p> <p>The Finance organisation has been structured with generic job descriptions and staff will work across the various finance workstreams. In specialist skill areas shadowing will occur to widen and strengthen the knowledge base.</p>

	<p>Internal Audit and Fraud teams have been designed with the emphasis on resilience and operate with a flat structure (two tiers).</p> <p>Critical tasks for the service are:</p> <ul style="list-style-type: none"> • Strategic Internal Audit planning • Continuous internal audit • External Audit • Budget estimates, budget setting, monitoring and forecasting • Closing accounts, preparations and publication of Financial Statements • Implementation of Financial Management System • Review of accounting policies and procedures
<p>Improved Services</p>	<p>From the commencement of the Finance Shared Service, services at existing levels will be maintained. These will be supported with a transitional staffing structure and resources. Change will be managed to minimise disruption. The first six months will be a crucial time and difficulties are expected during service co-location and the closing of accounts for both councils through to preparation of the financial statements and subsequent external audit. During the first year, substantial resources will be devoted to the successful implementation of the financial management system (FMS) and examining procedures and financial processes. Resources for backfilling will be available during this period for supporting the FMS IT implementation. Resource for other changes will have to be found within existing resources for shared services.</p> <p>Improvements should arise in 2010/11 following alignment of policies and processes and a single FMS and be discernable following the conclusion of the audit of the accounts for 2009/10 in September 2010, coinciding with the take-on of the steady-state organisation.</p> <p>For Fraud, the advantage of the joint management arrangements in place since March 2008 will lead to the earlier achievement of consolidation. Early success of this arrangement is leading to faster alignment of practices. Further efficiencies will follow with one IT Fraud module within the Benefits system, expected in autumn 2009.</p> <p>Improvements to internal audit are expected upon a review of arrangements leading up to the cessation of the outsourced service at Three Rivers.</p> <p>There are no required National Indicators for Finance Shared Services. The Service will collect and produce local performance indicators as shown below and in section 3.3 (not finalised). This represents the latest thinking and is still work in progress. Stakeholder's views and comments are welcomed in both the development of indicators and for target setting.</p> <p>Finance Shared Services will be a key contributor to the achievement of local and national indicators managed in the Client Service Plan.</p>

The Shared Service will continue membership of Benchmarking Clubs and seek other measures providing comparative information and statistics. Details of all gathered data and its implications will be regularly reported to the Joint Committee and inform new target setting for continuous improvements.

Local indicators

Below are a range of local performance indicators. These will be developed with both target setting and identification of comparator groups.

- Final Accounts - The Statement of Accounts will be produced and approved by respective Audit Committee by 30 June. The Statements will be presented with no material or significant errors and published with an unqualified audit opinion by 30 September.
- Average investment interest rate to be no less than 0.12% above average Bank Rate.
- Budget monitoring and budget setting timetable agreed prior to commencement of financial year with full compliance on reporting deadlines.
- Invoices undisputed and paid within thirty days former [previously BV8]
- Percentage of all purchasing conducted electronically measured by emailed orders
- Percentage of invoices paid by BACS
- Internal Audit - achieve 90% of planned work
- Use of Resources – Level attained for *Managing Finances*
- Fraud – (1) number of investigators (2) number of investigations (3) number of sanctions [previously BV76 b-d]
- CIPFA customer satisfaction survey

1.3 Contribution to the Councils' Strategic Objectives

Three Rivers District Council

Towards Excellence

- Develop, publish and monitor service standards for all services,
- Respond to complaints by learning and improving our services,
- Improve customer satisfaction,
- Regularly involve and consult with the local community on key issues,
- Meet statutory equality targets and standards,
- Inform and update residents about the Council's work and services,
- Ensure our services provide value for money,
- Align budgets to priorities,
- Manage and reduce risk,
- Ensure internal processes produce timely outputs,
- Ensure internal processes produce accurate outputs,
- Continue to improve the Council's performance,
- Ensure employees are properly trained, developed and motivated,
- Ensure Members are properly trained and developed,
- Engage with community groups to deliver effective partnership working.

Watford Borough Council

An Efficient, Effective, Value for Money Council

- Explore opportunity for alternative methods of service delivery through Shared Services with neighbouring authority
- Develop a corporate framework to deliver VfM across the organisation including reviewing the medium term financial strategy, reviewing budget monitoring, ensuring the council meets its target on NI 179 on cashable efficiency gains
- Ensure the Council responds appropriately to the Comprehensive Area Assessment
- Internal Audit aims to ensure the effective, efficient and economic use of resources

A Well-informed Community where everyone can contribute

- Develop strategy for budget consultation
- Prepare summary Accounts and Financial Information in an easily understood format

1.4

The Future of the Service

In the medium term (three years), it is expected full implementation will be achieved with the service operating on the final position organisation chart..

Every effort will be made to secure greater efficiencies with smarter working and empowering clients with knowledge and skills to increase financial abilities. Success levels will have dependencies on the partnerships with both councils and the agreement of common procedures for example, accounting policies, financial procedures, risk management framework, budgeting and financial planning arrangements, reporting formats and the expected financial competencies of managers and budget holders.

Significant changes in the medium term are the move to International Financial Reporting Standards (IFRS) and changes in governance with the Treasury taking responsibility for accounting standards (from the Accounting Standards Board). In recent years there have been changes to accounting and reporting with revised Codes of Practice and significant additional requirements. CIPFA are updating the Best Value Accounting Code and alignment with SORP is expected. CIPFA and the Audit Commission are currently consulting on financial reporting and significant changes are anticipated.

With Whole of Government Accounts in place earlier financial statements may be required. It is likely to require in-year closedowns on full accrual basis.

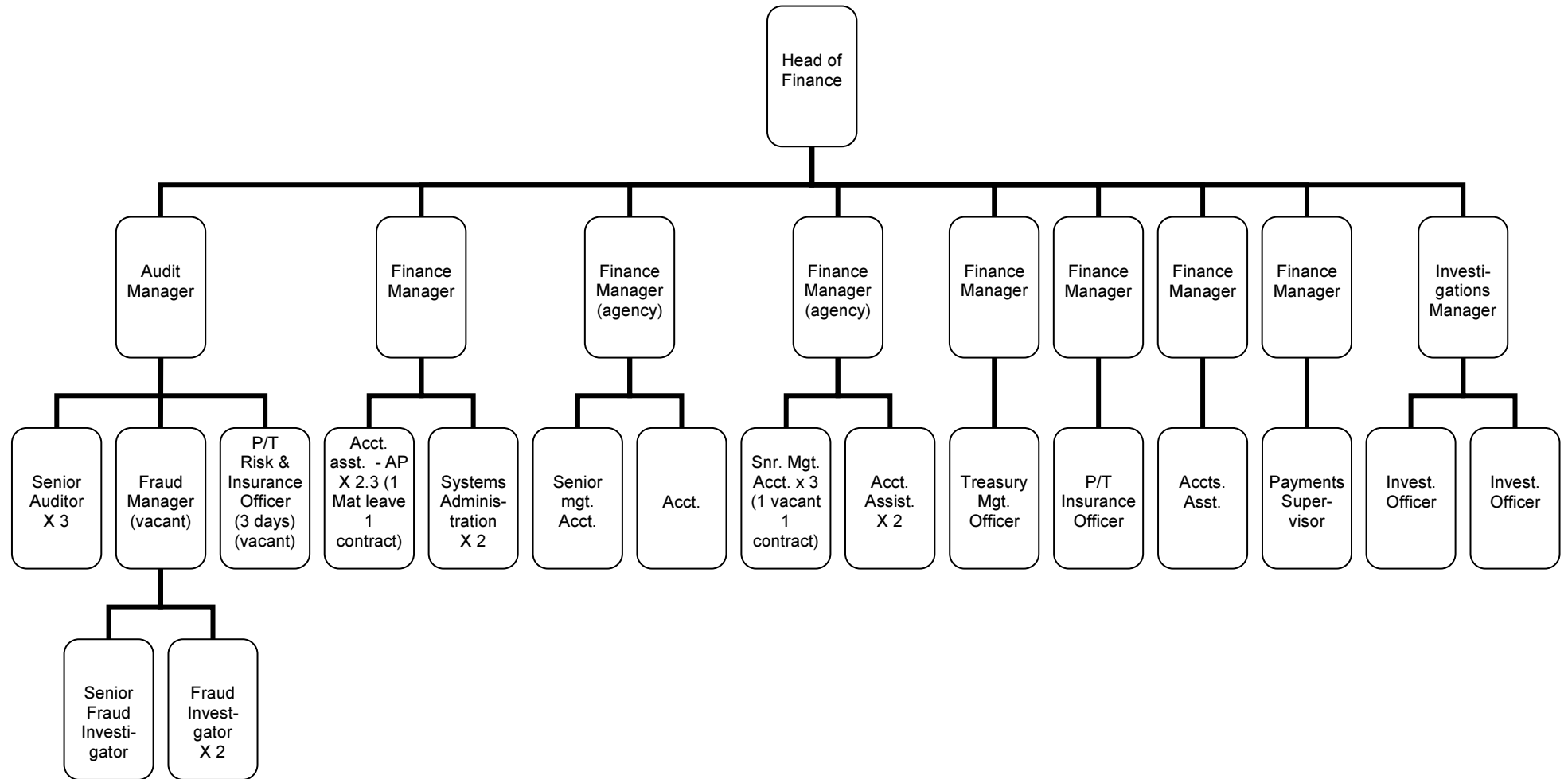
Internal audit – once the Three Rivers contract expires in March 2010, internal audit for both councils will probably be provided by a single in-house team based on the existing Watford team. There will be a need to increase the size of this team to meet these additional requirements. It is not currently possible to specify the resource required. It will be based, for example, on the requirements of the two councils and the speed of migration to common systems for each of the four shared services. The outcome may involve an increase in staff numbers and/or purchase of specific skills. The intention is to achieve savings on the Three Rivers contract.

Over the next decade, the Finance Shared Service will be actively marketed within and beyond the County. Clients will be able to opt for any service package. It is anticipated that ICT requirements will be via hosted services offering best value for money and resilience

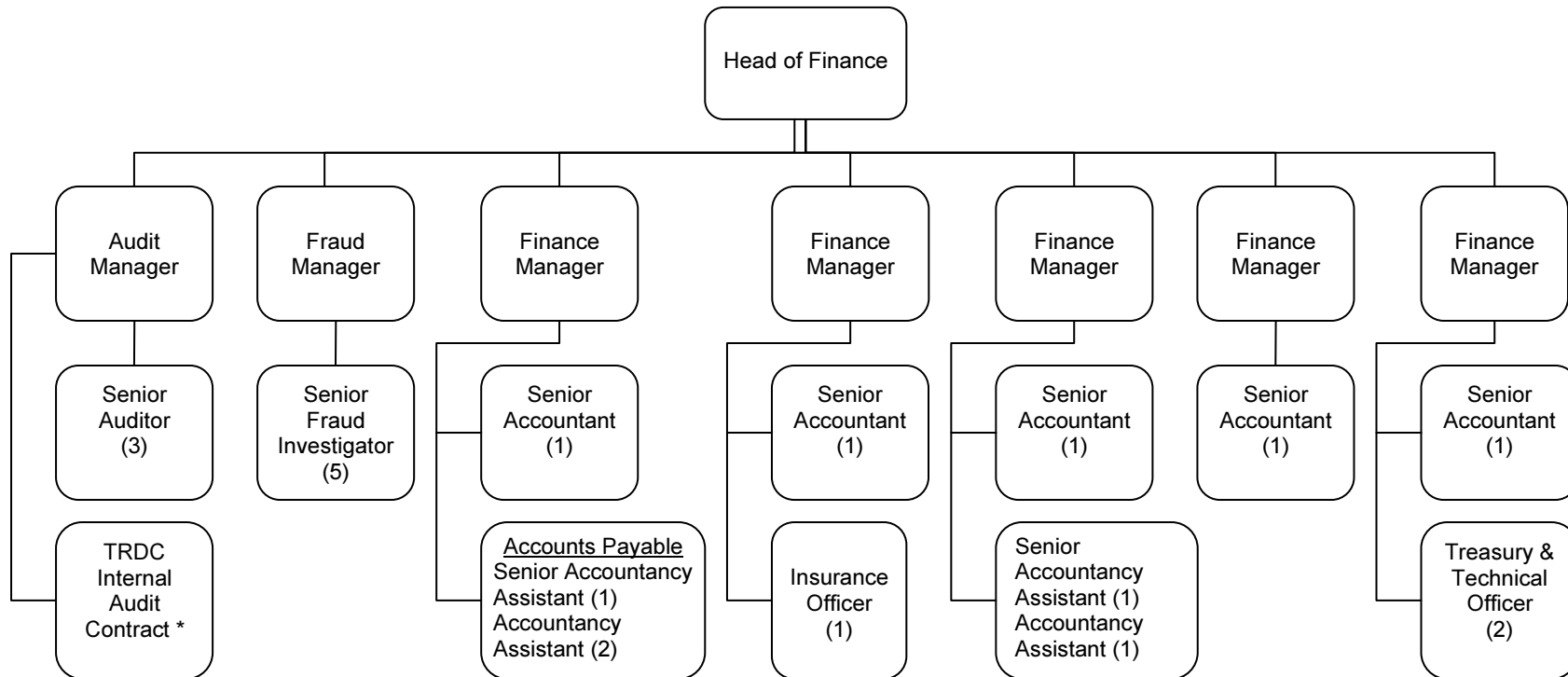
SECTION 2: INPUTS

2.1 People

Short-Term Organisation Chart – TRDC and WBC structures under one Head of Service



Shared Services Organisation Chart – From April 2009



The Internal Audit contract at Three Rivers expires in March 2010.

Temporary consultant resources which will be required until September 2010 whilst shared services is still operating two finance systems and to support the first year close on the new finance system.

2.2 Workforce Planning			
Workload – Trends & Changes	Staffing Implications – Impact on Service & Individuals	Options & Preferred Solutions	Outcome – Financial Implications, Resilience Implications & Implications for Improving the Service
Age Profile	The majority of both key and senior positions are occupied by long-serving and highly experienced professionals eligible to retire in the medium term.	Senior staff must be retained to ensure implementation timescales and contain staffing numbers at the steady-state establishment. Loss of several key staff may necessitate an overall FTE increase	Incentives available to retain key staff.
Market Pay	If market rates of pay are not offered from the outset experienced staff cannot be expected to drive the successful implementation.	From knowledge and experience, it is expected that the JE scheme will not recognise the complexities of finance.	For the lean structure set within the Business Case, it is a requirement that finance shared services staff are well above average for knowledge, skills, commitment and engagement. This will require market rates for remuneration together with a premium. Outcome of JE, moderation, rankings and pay modelling awaited.
Succession Planning	There will be an opportunity to look at the mix of experience at Senior Accountant level. This should make possible a situation where high calibre but less experienced recruits can be professionally trained and retained leading to a sustainable workforce. Potential reductions in recruitment costs and the average level of remuneration at this level.	Following successful implementation and certainty of the steady state, the ability to implement an accountancy training and qualification programme will be available.	This will be present a range of benefits – ease of recruitment and retention, improved resilience and lower cost.

Workload – Trends & Changes	Staffing Implications – Impact on Service & Individuals	Options & Preferred Solutions	Outcome – Financial Implications, Resilience Implications & Implications for Improving the Service
Transition Period and use of consultants	If the current consultants do not stay beyond their contract period this would result in a critical loss of experience in Watford's financial procedures.	Secure commitment with provider for retention of individuals.	Maintain and improve resilience
Home Working	In the longer term home working will be practical for most staff but in the short term it is likely that everyone will be required to be in the office.	For accountancy this will prove difficult for sustained periods in the early years of shared services. Progression will occur when enabled electronic information for all purposes is available.	
Earlier year-end closing and/or monthly/quarterly closing	Transition will likely require additional resource. Probably an invest to save opportunity as once established could lead to efficiencies. Similar effects with customers.	Need to facilitate is included in systems specification for FMS	Improvement to service quality leading to efficiencies (issues dealt with on regular basis rather than end of year closedown)
Changes to accounting practices or form & content of financial statements	Increased complexity (as can be expected with IFRSs) may require additional resources as timeframes for outputs will remain.	Retain current structure but recognise that additional resources may be required in-year.	Achieve outputs/outcomes within statutory timescales.
Training	There will be minimal cover within specialist areas particularly Insurance, Value Added Tax and Technical Accounting	Individual officers need training in specialist disciplines to a suitable standard to ensure good service provision during absences.	An adequate provision in the training budget is required. This can be identified when all staffing appointments have been made.

2.3 Partnerships & Contracts	
Partner / Partnership	Expected Outcomes
Deloitte Touche	TRDC contract expires March 2010.
LA VAT	Currently use LAVAT for provision of specialist VAT advice.
Treasury Advisers – Butlers/Sector	WBC currently use Sector for Treasury Management Advice to 31/08/10 with an option to extend for further 12 months. TRDC use Butlers with a contract to 01/11/2011.
Insurances	Currently use Zurich for all insurance. The TR contract with Zurich expires on 31 March '09 and a tender for insurance is currently being prepared.
Banking Services	Watford's expires in July 2009 and Three Rivers' in July 2010 – currently considering options for alignment with the intention of new contracts form 2010.

2.4 Assets & Technology

Equipment

29 workstations each with Personal Computer. 3 desktop HP printers and access to all central printers. Two of these workstations connected to specialist laser cheque printer.

Scanning and document management facilities.

One workstation with BACS security transmission facilities.

Remote access to network.

Cheque Printer

Phones, Fax, Copying, Scanning, Mobile Working, Home Working

Land and Property

Suitable office environment for all sections

Hot desk facilities at Watford for Finance (this is expected to be delivered within a corporate solution)

Internal Audit – office accommodation/filing/IT facilities on both sites.

Fraud – office accommodation/filing/IT facilities on both sites

Accommodation at Watford and Three Rivers for external audit

Vehicles

Vehicles required to attend meetings or off-site locations including outside normal hours and outside districts. Vehicles are also required by fraud for surveillance, house visits, statement taking, risk assessments and visiting external agencies.

IT systems

Internal Audit – IDEA (data extraction/matching)

Aptos (and archive facilities)

Radius PowerSolve (and archive facilities)

Radius Icon

On-Line Banking & Treasury Management

Microsoft Office Applications

Financial Management System (new)

Fraud Module (within Benefits system)

2.5 Shared Services Operating Costs and Recharges					
Code	To be extracted from Detailed Business Case	2008/09 Revised £	2009/10 Original £	2010/11 Forecast £	2011/12 Forecast £
	Shared Services Operating Costs				
	Employees				
	Premises				
	Transport				
	Supplies & Services				
	Contracted & Agency Services				
	Income				
	Sub-Total				
	Recharge to Councils				
	Three Rivers District Council				
	Watford Borough Council				
	Sub-Total				
	Total	0	0	0	0

2.6 Implementation Costs					
		2009/10 £	2010/11 £	2011/12 £	
1	Revenue Implementation Costs				
	List here items of cost from Detailed Business Case	0	0	0	
	Total	0	0	0	
2	Capital Implementation Costs				
	List here items of cost from Detailed Business Case	0	0	0	
	Total	0	0	0	

SECTION 3: OUTPUTS AND OUTCOMES

3.1 Stakeholder Consultation

- Shared Services Workshops were held in 2007 and the outcomes were used to inform Operating Model and specify the service requirements
- The s151 Officers at both councils have been regularly consulted at all stages in developing the operating model, staffing structure, job descriptions and service planning.
- In Three Rivers, CIPFA's Financial Management Model has been used to assess the style and strengths of the finance function. This involved surveying stakeholders and implementing action plans. A new Model has been developed and this will be used in both Watford and Three Rivers in 2009 (resources allowing).
- In Three Rivers, customer satisfaction surveys have been employed during the last three years. This will continue and will include Watford in 2009.
- In the last two years Three Rivers have produced Summary Accounts included in an Annual Report published on the Internet and mailed to community groups. Feedback was requested through a simple questionnaire to assess meaningful and relevant information.
- The Finance shared service will be assessed for Customer Service Excellence in 2010.
- Customers have and will continue to be involved in specification and selection of a new financial management system.
- All staff in Finance shared services have been consulted on the development of the Service Plan for 2009 – 2012
- Finance will be seeking and maintaining records of customers' comments and using these to develop service provision improvements.

3.2 Service Level Agreements

SLAs between shared services and the councils

As part of the development of the operating model for the finance service, internal customers were consulted and draft output specifications produced. The shared services team will use this as a starting point to develop and establish formal Service Level Agreements (SLA) between the finance service and its customers at both councils. As part of the Service Level Agreements, performance standards will be identified as well as performance indicators that will be used internally by the shared service, some of which have been included in this service plan. The process for monitoring performance against SLAs is being developed and will be agreed with the Joint Committee. It is expected that SLAs will be established by March/April 2009.

3.3 Performance Indicators

This section is in progress for updating and completion – see also section 1.2 above. Comments from stakeholders on its development are welcomed

Reference																
Indicator Definition	Percentage of undisputed invoices paid within 30 days (Formerly BV8)															
Target	2008/09				2009/10				2010/11				2011/12			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC																
Watford	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Outcome	2008/09				2009/10				2010/11				2011/12			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC	99.23	98.85														
Watford	95.20	96.38														
Comments on Performance Finance champion this performance indicator and is reliant upon all services to actively engage and support.																

Reference																
Indicator Definition	Percentage User Satisfaction with Financial Services															
Target	2008/09				2009/10				2010/11				2011/12			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC																
Watford																
Outcome	2008/09				2009/10				2010/11				2011/12			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC																
Watford																
Comments on Performance To be developed – will need to implement separate surveys for audit, fraud and finance.																

Reference																
Indicator Definition	Final Accounts - The Statement of Accounts will be produced and approved by respective Audit Committee by 30 June. The Statements will be presented with no material errors and published with an unqualified audit opinion by 30 September															
Target	2008/09				2009/10				2010/11				2011/12			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC																
Watford																
Outcome	2008/09				2009/10				2010/11				2011/12			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC																
Watford																
Comments on Performance This Indicator is best reported on an annual basis																

Reference																
Indicator Definition	Percentage of invoices paid by BACS (currently reported by Watford only)															
Target	2008/09				2009/10				2010/11				2011/12			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC																
Watford	70	70	70	70	75	75	75	75	80	80	80	80	90	90	90	90
Outcome	2008/09				2009/10				2010/11				2011/12			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC																
Watford																
Comments on Performance Finance champion this performance indicator and is reliant upon all services to actively engage and support.																

Reference																
Indicator Definition	Percentage of all purchasing conducted electronically measured by emailed orders															
Target	2008/09				2009/10				2010/11				2011/12			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC																
Watford				0				0	40	50	60	70	80	90	100	100
Outcome	2008/09				2009/10				2010/11				2011/12			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC																
Watford																
Comments on Performance Finance champion this performance indicator and is reliant upon all services to actively engage and support.																

Reference																
Indicator Definition	Average investment interest rate to be no less than 0.12% different from average base rate.															
Target	2008/09				2009/10				2010/11				2011/12			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC																
Watford	5.12	4.62														
Outcome	2008/09				2009/10				2010/11				2011/12			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC																
Watford	5.50	5.71														
Comments on Performance																

Reference																
Indicator Definition	Budget monitoring and budget setting timetable agreed prior to commencement of financial year with full compliance on reporting deadlines.															
Target	2008/09				2009/10				2010/11				2011/12			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC																
Watford																
Outcome	2008/09				2009/10				2010/11				2011/12			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC																
Watford																
Comments on Performance This Indicator is best reported on an annual basis																

Reference																
Indicator Definition	Internal Audit - achieve 90% of planned work															
Target	2008/09				2009/10				2010/11				2011/12			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC																
Watford																
Outcome	2008/09				2009/10				2010/11				2011/12			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC																
Watford																
Comments on Performance This Indicator is best reported on an annual basis																

Reference																
Indicator Definition	Use of resources – Level 3 for <i>Managing Finances</i>															
Target	2008/09				2009/10				2010/11				2011/12			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC																
Watford																
Outcome	2008/09				2009/10				2010/11				2011/12			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC																
Watford																
Comments on Performance This Indicator is best reported on an annual basis																

Reference																
Indicator Definition	Anti Fraud – Number of Investigations															
Target	2008/09				2009/10				2010/11				2011/12			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC																
Watford																
Outcome	2008/09				2009/10				2010/11				2011/12			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC																
Watford																
Comments on Performance																

Reference																
Indicator Definition	Anti Fraud – Number of Investigators															
Target	2008/09				2009/10				2010/11				2011/12			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC																
Watford																
Outcome	2008/09				2009/10				2010/11				2011/12			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC																
Watford																
Comments on Performance																

Reference																
Indicator Definition	Anti Fraud – Number of Sanctions															
Target	2008/09				2009/10				2010/11				2011/12			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC																
Watford																
Outcome	2008/09				2009/10				2010/11				2011/12			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
TRDC																
Watford																
Comments on Performance																

Other Outcomes

High level key outcomes for the service are related to key lines of enquiry (KLOE) for assessment in the use of resources assessments regime. KLOEs change on a regular basis. *This section will be updated to reflect developments and the new KLOEs for 2009.*

Function : Strategic Corporate Advice/Support			
Outcome	Measure	Standard	Comments/Issues
The Councils produce annual reports in accordance with relevant standards and timetables, supported by comprehensive working papers	The accounts submitted for audit present fairly and contain only a small number of non-trivial errors. The accounts were subject to robust member scrutiny prior to approval. The auditor gives an unqualified opinion in the published statement.	Level 3	
The Councils medium term financial strategy, budgets and capital programme are soundly based and designed to deliver its strategic priorities.	Business planning is integrated with financial planning	Level 3	
The council manages its spending within the available resources	Set a balanced budget that takes account of cost pressures and the impact on council tax. Targets for income collection stretch performance and their achievement is monitored.	Level 3	
Balanced Budget that include recharges are set within permitted time frames	To timetable Accuracy and completeness of revenue estimates and estimates of charges compared with outturn		
Accounts closed, produced and approved by end of June	To timetable with no audit qualifications	100%	
Accounts are accepted by auditors without qualification	Unqualified account	100%	
No significant external audit issues	Clear audit opinion	100%	
A clear process and format that delivers capital budgets for an agreed programme on time	Accurate and complete capital programme To timetable		

Function : Strategic Corporate Advice/Support			
Outcome	Measure	Standard	Comments/Issues
The Council promotes external accountability	The council publishes its accounts and publicises how local electors can exercise their rights, in accordance with the requirements of the Accounts & Audit Regulations 2003. Produce summary financial information that meets the needs of a range of stakeholders	Level 3	
Achieves value for money	Unintended high spending is identified and is addressed. Areas of higher spending are in line with stated priorities. A well managed capital programme	Level 3	
Manage and improve value for money	Arrangements in place to produce reliable data. Investment is targeted to improve value for money in the longer term.	Level 3	

Function : Accountancy Support to Senior Managers			
Outcome	Measure	Standard	Comments/Issues
The council manages performance against budgets	Budgets are input to the main accounting system on a timely basis, at an appropriate level of detail.	100%	
Monthly financial performance reports produced by stipulated date in month.	To timetable	95%	
Regularly meeting with budget holders to review performance and agree actions required (where necessary)	Meeting with 100% of budget holders	100% at least 4 times per year	
Budgets are set within agreed timescales	To timetable	100%	

Function : Accountancy Support to Senior Managers			
Outcome	Measure	Standard	Comments/Issues
Officer reports provide accurate financial implications	Ensure a help-line is available to all clients All formal proposals and reports to be appraised by the Finance Shared Service Customer satisfaction with service provided	Office hours 100% 98%	

Function : Internal Audit & Anti-Fraud			
Outcome	Measure	Standard	Comments/Issues
Internal Audit performs inline with CIPFA best practice	External Audit approval		
The Organisation manages its risks and maintains a sound system of internal control?	The organisation has: <ul style="list-style-type: none"> • has effective risk management which covers partnership working • has a clear strategy and effective arrangements, including allocation of appropriate resources, to manage the risk of fraud and corruption; and • has a sound system of internal control including internal audit. 		
High compliance with annual plan	As per plan		
Regarded as a robust and challenging service by councils	Quality of feedback to council within 30 days		
Arrangements in place to maintain a sound system of internal control	Internal Audit performs inline with CIPFA best practice	Level 3	
Promote and ensure probity and propriety in the conduct of Council business	Counter fraud and corruption policy apply to all aspects of the council's business. Whistle blowing policy is publicised. Undertake proactive counter fraud and corruption work.	Level 3	

Function : Exchequer Services			
Outcome	Measure	Standard	Comments/Issues
Invoices paid within time scales	Paid within 30 days	97.5%	
Invoices paid according to agreed suppliers terms and conditions	Depends on individual supplier terms and conditions but likely to include <ul style="list-style-type: none"> • 7/14/21/28 days from invoice date • End of month following • tba 	TBA	
The council manages its asset base	The council maintains an up-to-date asset register. Asset physical inventory verification to be performed on a regular basis		

Function : Insurance			
Outcome	Measure	Standard	Comments/Issues
Deal promptly with claims, including investigations with other departments to obtain information relevant to the claim.	Enables the Councils' insurers to make early decisions on liability and keep claims costs to a minimum		Reliant on co-operation from other departments
Provide information to colleagues on policy interpretation	Enable greater understanding of insurance cover and what can be claim under the policies		
Negotiate with insurers on premiums and levels of cover	Ensures the Council's assets are protected		Reliant on others to be advised of acquisitions

3.4 Benchmarking Information

Measure: Cost					
Benchmark Description	Comparator Group	Result	Rank within group (x out of y)	Date Valid	Comments
Cost Measures (56 measures)	Shire Districts	Three Rivers – of the 56 cost comparators, 41 were better than average and 15 were lower. Watford – will use this benchmarking group in 2009	See Result	02/10/2008	CIPFA-IPF Accountancy Benchmarking Club
Staffing Measures (21 measures)	Shire Districts	Three Rivers – of the 21 staff comparators, 11 were better than average and 10 were lower. Watford – will use this benchmarking group in 2009	See Result	02/10/2008	CIPFA-IPF Accountancy Benchmarking Club
Measure: Quality					
Benchmark Description	Comparator Group	Result	Rank within group (x out of y)	Date Valid	Comments
Quality Measures (6 measures)	Shire Districts	Three Rivers – of the 6 quality comparators, 6 were better than average. Watford – will use this benchmarking group in 2009Six out of six better than average.		02/10/2008	CIPFA-IPF Accountancy Benchmarking Club
Internal Audit will meet CIPFA's Code of Practice criteria		Compliant		June 2008	Self-assessment but IA also subject to annual review by external auditor(s).
Measure: Other					
Benchmark Description	Comparator Group	Result	Rank within group (x out of y)	Date Valid	Comments
Time series Analysis (8 measures)	Shire Districts	Three Rivers – of the 8 comparators, 7 were better than average and 1 was lower. Watford – will use this benchmarking group in 2009		02/10/2008	CIPFA-IPF Accountancy Benchmarking Club

3.5	Outstanding Recommendations of External Inspections				
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Watford - Annual Governance Report – Grant Thornton –September 2008					
<i>Action</i>	<i>Priority</i>	<i>Responsibility</i>	<i>Action to Date</i>	<i>Resolved</i>	<i>(Original) Implementation Date</i>
<i>Full review of all leases</i>	<i>Medium</i>	<i>Interim Head of Finance</i>	<i>Work stream allocated review has commenced</i>		<i>March 2009</i>
<i>Salaries charged to Capital</i>	<i>Medium</i>	<i>Strategic Finance Accountant</i>	<i>To be incorporated into 09/10 support service allocation process</i>		<i>March 2009</i>
<i>Fixed Asset Register</i>	<i>High</i>	<i>Interim Head of Finance</i>	<i>Produce spreadsheet as interim solution pending implementation of new FMS</i>		<i>March 2009</i>
<i>Recommend Process to review Shared Ownership dwellings</i>	<i>High</i>	<i>Interim Head of Finance</i>	<i>Review system for revaluations</i>		<i>March 2009</i>
<i>Journal Authorisation</i>	<i>Low</i>	<i>Interim Head of Finance</i>	<i>Review system for authorisation of on-line journals</i>		<i>March 2009</i>

Three Rivers - Annual Governance Report – Grant Thornton –September 2008					
<i>Fixed Asset Register</i>	<i>Low</i>	<i>Accountancy Manager</i>	<i>Introduce regular reconciliations between asset register and general ledger</i>	<i>✓</i>	<i>March 2009</i>
<i>Bank Reconciliations</i>	<i>High</i>	<i>Accountancy Manager</i>	<i>Ensure bank reconciliations are carried out monthly</i>	<i>✓</i>	<i>March 2009</i>

3.6

Projects

- Training for non-Finance Managers
- Procurement and implementation of new financial management system
- Review of budget monitoring and other (non-system dependent) processes and embedding into shared service
- Secure an unqualified audit opinion for the Councils' Statement of Accounts for 2008/09
- Setting budget for 2009/10
- Build interfaces as required between new and existing systems during the transition process
- Review controls as new systems/procedures are implemented
- Document new systems/procedures
- Undertake risk assessment of Watford and Three Rivers services prior to preparation of audit plan
- Customer Services Excellence (new Charter mark). The Shared Services management team want to achieve the new Customer Service Excellence standard for all their services as soon as possible.
- Investigation and implementation of revised Internal Audit services
- Tender for banking services
- Completion of tender process for insurance services at Three Rivers

3.7**Equalities**

Three Rivers have carried out a review of the Equality Impact Assessment Programme.

The relevance to Accountancy for Disability and Age is the availability of Financial Statements in formats for the partially sighted. Braille versions for the totally blind are not produced but, on request, staff could talk through a summary of the statement.

The previous reference for Religion is no longer relevant as 'Right to Buy' sales have ceased

Accountancy is essentially a support service and mostly governed by statute. The overall relevance of equality has been set at *Low*.

The Equality Impact Assessments for Fraud have been completed and services improvements identified require completion.

3.8 Risk Management

RISK REGISTER

This section is in progress for updating and completion. Comments from stakeholders on its development are welcomed

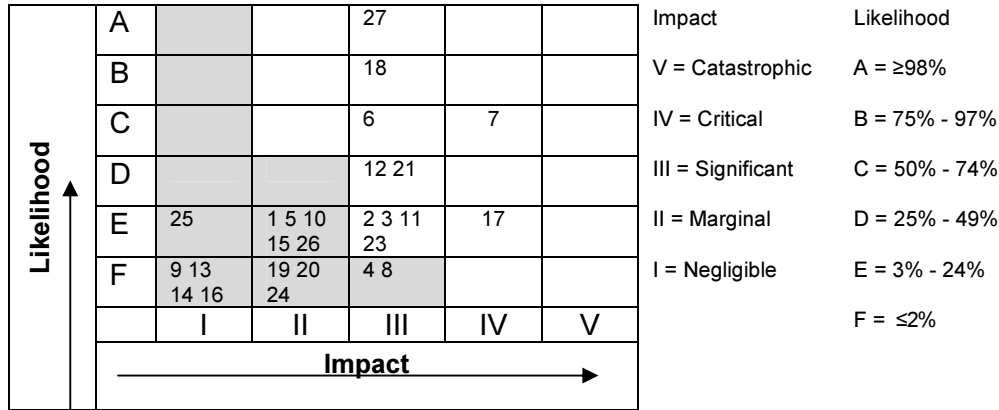
Risk Ref	Risk	Impact	Impact Classification	Likelihood Classification	Reason for Assessment		
FIN 1	Staff resistance to change	Service Disruption	II	E		Requires Treatment	Yes/No
		Financial Loss	I			Last Review Date	dd/mm/yy
		Reputation	I			Next Milestone Date	dd/mm/yy
		Legal Implications	I			Next Review Date	dd/mm/yy
		People	I			Date Closed	dd/mm/yy
FIN 2	Staffing Continuity	Service	III	E		Requires Treatment	Yes/No
		Financial Loss	I			Last Review Date	dd/mm/yy
		Reputation	I			Next Milestone Date	dd/mm/yy
		Legal	I			Next Review Date	dd/mm/yy
		People	I			Date Closed	dd/mm/yy
FIN 3	Insufficient staff to deal with workload	Service	III	E		Requires Treatment	Yes/No
		Financial Loss	I			Last Review Date	dd/mm/yy
		Reputation	I			Next Milestone Date	dd/mm/yy
		Legal	I			Next Review Date	dd/mm/yy
		People	I			Date Closed	dd/mm/yy
FIN 4	Shared Service Doesn't go Live	Service	I	F		Requires Treatment	Yes/No
		Financial Loss	I			Last Review Date	dd/mm/yy
		Reputation	III			Next Milestone Date	dd/mm/yy
		Legal	I			Next Review Date	dd/mm/yy
		People	I			Date Closed	dd/mm/yy

Risk Ref	Risk	Impact	Impact Classification	Likelihood Classification	Reason for Assessment			
FIN 5	Terms & conditions and location adversely affect staff retention	Service	II	E	Depends on level of disaffection and categories of staff but expected professional staff will not feel embittered. Impact could be greater if incidence is stronger during first three months of running shared service. Terms and conditions will be negotiated for SS employees; therefore no further action can be taken to reduce risk.	Requires Treatment	Yes/No	
		Financial Loss	I				Last Review Date	dd/mm/yy
		Reputation	I				Next Milestone Date	dd/mm/yy
		Legal	I				Next Review Date	dd/mm/yy
		People	I				Date Closed	dd/mm/yy
FIN 6	Job Evaluation adversely affects staff retention	Service	III	C	Depends on level of disaffection and categories of staff. If professional staff, depleted services will be affected for 12 months or more. Decision to apply <i>real</i> market factors agreed by mid-June	Requires Treatment	Yes/No	
		Financial Loss	I				Last Review Date	dd/mm/yy
		Reputation	I				Next Milestone Date	dd/mm/yy
		Legal	I				Next Review Date	dd/mm/yy
		People	I				Date Closed	dd/mm/yy
FIN 7	Cannot recruit to Assistant Finance Manager by implementation day	Service	IV	TBA	Services will be affected for 12 months or more. Retain agency staff currently working for Watford	Requires Treatment	Yes/No	
		Financial Loss	I				Last Review Date	dd/mm/yy
		Reputation	I				Next Milestone Date	dd/mm/yy
		Legal	I				Next Review Date	dd/mm/yy
		People	I				Date Closed	dd/mm/yy

Risk Ref	Risk	Impact	Impact Classification	Likelihood Classification	Reason for Assessment		
FIN 8	IT Communications inefficient	Service	III	F	Inefficient retrieval and processing affecting full range of services provided Full test and confirmation required one month prior to relocation	Requires Treatment Last Review Date Next Milestone Date Next Review Date Date Closed	Yes/No
		Financial Loss	I				dd/mm/yy
		Reputation	I				dd/mm/yy
		Legal	I				dd/mm/yy
		People	I				dd/mm/yy
FIN 9	Decision making time consuming – directors and committee	Service	I	F	Increases in elapsed time will lead to inefficiencies	Requires Treatment Last Review Date Next Milestone Date Next Review Date Date Closed	Yes/No
		Financial Loss	I				dd/mm/yy
		Reputation	I				dd/mm/yy
		Legal	I				dd/mm/yy
		People	I				dd/mm/yy
FIN 10	Unable to keep temporarily retained staff.	Service	II	E	Ensure premia is realistic. Engage with staff for positive commitment	Requires Treatment Last Review Date Next Milestone Date Next Review Date Date Closed	Yes/No
		Financial Loss	I				dd/mm/yy
		Reputation	I				dd/mm/yy
		Legal	I				dd/mm/yy
		People	I				dd/mm/yy
FIN 11	Resistance from transitional staff – deliberate damage	Service	III	E	Systems failure, permanent loss of data, poor/misleading/illegal advice, viruses inserted, coercion/influence exerted on those staying Golden handcuffs	Requires Treatment Last Review Date Next Milestone Date Next Review Date Date Closed	Yes/No
		Financial Loss	II				dd/mm/yy
		Reputation	II				dd/mm/yy
		Legal	I				dd/mm/yy
		People	I				dd/mm/yy
FIN 12	Loss of VAT expertise	Service	III	D	Financial losses and imposition of penalties	Requires Treatment Last Review Date Next Milestone Date Next Review Date Date Closed	Yes/No
		Financial Loss	I				dd/mm/yy
		Reputation	I				dd/mm/yy
		Legal	I				dd/mm/yy
		People	I				dd/mm/yy
FIN 13	Cannot align policies or procedures	Service	I	F	Inefficient organisation – unnecessary duplication Additional permanent resources required	Requires Treatment Last Review Date Next Milestone Date Next Review Date Date Closed	Yes/No
		Financial Loss	I				dd/mm/yy
		Reputation	I				dd/mm/yy
		Legal	I				dd/mm/yy
		People	I				dd/mm/yy

Risk Ref	Risk	Impact	Impact Classification	Likelihood Classification	Reason for Assessment		
FIN 14	Resistance to change by service managers	Service	I	F	Inefficient organisation – unnecessary duplication Additional permanent resources required	Requires Treatment Last Review Date Next Milestone Date Next Review Date Date Closed	Yes/No
		Financial Loss	I				dd/mm/yy
		Reputation	I				dd/mm/yy
		Legal	I				dd/mm/yy
		People	I				dd/mm/yy
FIN 15	Wrong Establishment	Service	II	E	Services will be affected for 12 months or more. Need readiness by both councils to accept and act.	Requires Treatment Last Review Date Next Milestone Date Next Review Date Date Closed	Yes/No
		Financial Loss	I				dd/mm/yy
		Reputation	I				dd/mm/yy
		Legal	I				dd/mm/yy
		People	I				dd/mm/yy
FIN 16	Delay implementing IT	Service	I	F	Managing three general ledgers and four sets of financial data within one FY Plan for new GL implementation 1 April 2010	Requires Treatment Last Review Date Next Milestone Date Next Review Date Date Closed	Yes/No
		Financial Loss	I				dd/mm/yy
		Reputation	I				dd/mm/yy
		Legal	I				dd/mm/yy
		People	I				dd/mm/yy
FIN 17	Fail to close 08/09 on time coupled with conflicting priorities of two councils	Service	IV	E	Service blighted. Major consequences on several fronts with effects suffered to 2012. Need to ensure full establishment and recruitment actions maintain quality to deliver.	Requires Treatment Last Review Date Next Milestone Date Next Review Date Date Closed	Yes/No
		Financial Loss	I				dd/mm/yy
		Reputation	IV				dd/mm/yy
		Legal	I				dd/mm/yy
		People	I				dd/mm/yy
FIN 18	UoR for Finance related areas - levels fall	Service	II	B	Will affect ratings under Comprehensive Area Assessment	Requires Treatment Last Review Date Next Milestone Date Next Review Date Date Closed	Yes/No
		Financial Loss	I				dd/mm/yy
		Reputation	III				dd/mm/yy
		Legal	I				dd/mm/yy
		People	I				dd/mm/yy
FIN 19	Intransigence- poor relationships with S151 officers	Service	II	F	Relationships falter and staff go native	Requires Treatment Last Review Date Next Milestone Date Next Review Date Date Closed	Yes/No
		Financial Loss	I				dd/mm/yy
		Reputation	I				dd/mm/yy
		Legal	I				dd/mm/yy
		People	I				dd/mm/yy

Risk Ref	Risk	Impact	Impact Classification	Likelihood Classification	Reason for Assessment			
FIN 20	Over-management by client councils	Service	II	F	Interference and influence exerted directly	Requires Treatment	Yes/No	
		Financial Loss	I				Last Review Date	dd/mm/yy
		Reputation	I				Next Milestone Date	dd/mm/yy
		Legal	I				Next Review Date	dd/mm/yy
		People	I				Date Closed	dd/mm/yy
FIN 21	Scope/volumes of work increases but no additional resources	Service	III	D	Services prioritised, tasks not completed, Use of Resources rating falls, impact on CharterMark	Requires Treatment	Yes/No	
		Financial Loss	I				Last Review Date	dd/mm/yy
		Reputation	I				Next Milestone Date	dd/mm/yy
		Legal	I				Next Review Date	dd/mm/yy
		People	I				Date Closed	dd/mm/yy
FIN 22	SS takes on aged workforce and key officers need replacing in early years.	Service	III	A	Loss of experience in short timeframe – pressure on remaining staff Workforce Planning	Requires Treatment	Yes/No	
		Financial Loss	I				Last Review Date	dd/mm/yy
		Reputation	I				Next Milestone Date	dd/mm/yy
		Legal	I				Next Review Date	dd/mm/yy
		People	I				Date Closed	dd/mm/yy
FIN 23	Unable to retain expertise for 24 months(+ 09/10 closing period) [two WB IT staff]	Service	III	E	Watford service fails with disruption to budget monitoring, closing and financial statements	Requires Treatment	Yes/No	
		Financial Loss	I				Last Review Date	dd/mm/yy
		Reputation	I				Next Milestone Date	dd/mm/yy
		Legal	I				Next Review Date	dd/mm/yy
		People	I				Date Closed	dd/mm/yy
FIN 24	Skewed demands from s151 officers	Service	II	F	Demand for services increases Additional permanent resources required	Requires Treatment	Yes/No	
		Financial Loss	I				Last Review Date	dd/mm/yy
		Reputation	I				Next Milestone Date	dd/mm/yy
		Legal	I				Next Review Date	dd/mm/yy
		People	I				Date Closed	dd/mm/yy
FIN 25	Additional Partners during first two-three years	Service	I	E	Pressures in meeting specifications for TR and WB	Requires Treatment	Yes/No	
		Financial Loss	I				Last Review Date	dd/mm/yy
		Reputation	I				Next Milestone Date	dd/mm/yy
		Legal	I				Next Review Date	dd/mm/yy
		People	I				Date Closed	dd/mm/yy
FIN 26	Training requirements for P/Q staff.	Service	II	E	Not operating with full resources	Requires Treatment	Yes/No	
		Financial Loss	I				Last Review Date	dd/mm/yy
		Reputation	I				Next Milestone Date	dd/mm/yy
		Legal	I				Next Review Date	dd/mm/yy
		People	I				Date Closed	dd/mm/yy



Impact Classification	Service Disruption	Financial Loss	Reputation	Failure to provide statutory service/meet legal obligations	People
V Catastrophic	Total failure of service	>£1m	National Publicity. Resignation of leading member or chief officer	Litigation, claim or fine >£500k	Fatality of one or more clients/staff
IV Critical	Serious disruption to service	£500k - £1m	Local media criticism	Litigation, claim or fine £250k - £500k	Serious injury, permanent disablement of one or more clients/staff
III Significant	Disruption to service	£100k - £500k	Local public interest and complaints	Litigation, claim or fine £100k - £250k	Major injury to individual
II Marginal	Some minor impact on service	£10k - £100k	Contained within service	Litigation, claim or fine £10k - £100k	Minor injuries to several people
I Negligible	Annoyance but does not disrupt service	<£10k	Contained within section	Litigation, claim or fine <£10k	Minor injury to an individual

For assessing the **likelihood**, use the following table:-

A = ≥98%	Expected to occur in most circumstances
B = 75% - 97%	Will probably occur in most circumstances
C = 50% - 74%	Fairly likely to occur
D = 25% - 49%	Might occur from time to time
E = 3% - 24%	Could occur occasionally
F = ≤2%	May occur only in exceptional circumstances

RISK TREATMENT PLAN

TO BE COMPLETED

Risk Ref:	Enter Risk Register Ref	Risk Title:	Enter description of risk from Risk Register		
Responsibility	<i>Who is managing the risk?</i>		Enter name of officer managing the risk		
Consequence	<i>What can go wrong? How can it go wrong? Has it gone wrong before?</i>		Insert the answers to the questions		
Cause / Trigger	<i>What happens to bring the risk into being?</i>		Insert specific things that must occur for this risk to be realised		
Existing Control	<i>What controls exist now to minimise the risk?</i>		Describe the controls that currently exist		
Adequacy of Control	<i>What evidence is there that the existing Controls are working? What would the Risk Rating be without the existing controls?</i>	Evidence is required – not just a statement that the controls are working.	Impact	Likelihood	
			See Impact Table	See Likelihood Table	
Further Action / Controls Required	<i>What gaps have been identified? What can be done to reduce the likelihood of something going wrong and/or reduce the Impact if something does go wrong?</i>		Enter the additional / replacement control procedures you are proposing to implement		
Cost / Resources	<i>Are there cost / resource implications in achieving the further action above?</i>		Describe the resources required here		£ Enter cost here
Current Status	<i>What is the current position on introducing additional controls? What is the current Risk Rating</i>	Enter here the 'status' of the risk, i.e. how it has changed over time, when the further controls are expected to take effect etc.	Impact	Likelihood	
			See Impact Table	See Likelihood Table	
Critical Success Factor	<i>How will you know that the action taken has worked? What will be the Risk Rating outcome with the new controls?</i>	Insert the answers to the questions. Will the impact and likelihood mean the risk can be tolerated / closed?	Impact	Likelihood	
			See Impact Table	See Likelihood Table	

Version Control

Version No.	Date	Reason for Update / Significant Changes	Made By
0.1	08/09/03	Draft for discussion of contents	DAG
0.2	4/11/08	Issued to current Finance in scope staff for comments	AP
0.3/ 0.4	10/11/08	Various updates	AP
0.5	11/11/08	Issued to current Finance in scope staff and two s151 Officers for comments	AP
0.6	19/11/08	Issued to Extended Management Board for comments	AP
0.7	27/11/08	Issued to Watford and Three Rivers Management Boards for comments	AP
1.1	09/12/08	Draft Version – Joint Committee – 17 December 2008	DAG