



DRAFT FINANCE SERVICE PLAN 2013 - 2016

Version 0.3 – Shared Services Joint Committee 19 November 2012

This version has been compiled with Internal Audit provided through the current Shared Services arrangement.

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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, employees of the two councils, citizens and the wider public.

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 is located in Rickmansworth although Internal Audit and Fraud have bases in both town halls to ensure their effectiveness.

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
- Whole of Government Accounts
- Preparation and completion of Government Returns for capital and revenue budgets, outturn and monitoring
- External audit liaison
- Provision of financial advice to budget holders and Members
- Financial policies and procedures
- Bank reconciliations and Income reconciliations
- Value Added Tax
- 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 and consultancy
- 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' insurance;
- 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 Accountancy 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 2011
- Statutory Codes for financial accounting and service 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
- Social Security Administration Act 1992

1.2 Contribution to Shared Services Objectives

Savings

Finance Shared Services met the savings required in the 2008 *Detailed Business Case*.

Finance has met the requirements of both councils to achieve a *further* ten-percent reduction in direct costs from 2012/13.

Four posts were deleted from the established staffing structure – one Senior Accountant, one Senior Auditor and two Accountancy Assistants.

	2009/10 £(000)	2010/11 £(000)	2011/12 £(000)	2012/13 £(000)
Original Budget (Shared Services Joint Committee Sep '09)	1,728	1,711	1,755	1,808
Outturn	1,698	1,611	1,533	
Latest Budget				1,498
Additional Annual Savings (above the Business Case)	<u>30</u>	<u>100</u>	<u>222</u>	<u>310</u>

The savings over the Business Case have to date been **£662k**.

Resilience

The Accountancy service is experienced in providing a Business Partner service having operated this basis of delivery for two decades.

The successful rotation at Finance Manager and Senior Accountant level continues with changes last effected in June 2011. The practice mitigates the effects of lean staffing and provides flexibility for wider team working and cover

During 2012 a restructure was completed to improve resilience between the remaining accountancy staff. Staffing was reduced by four post (including Internal Audit) and costs were pared significantly. One team of four Finance Officers was introduced (previously two Treasury and Technical Officers and four Accountancy Assistants) with generic job description and working across finance work streams. This restructure is being reviewed.

In specialist skill areas shadowing occurs to widen and strengthen the knowledge base.

	<p>Internal Audit and Fraud teams have been designed with the emphasis on resilience and operate flat structures.</p> <p>Internal Audit has been hugely successful in achieving resilience over the last three years. Since the commencement of Shared Services, one post of Senior Auditor has been deleted and the team has, through efficiencies and increased resilience, absorbed £60k of previously bought-in services from Deloitte Touche.</p> <p>The Fraud service has also been equally successful in providing improved resilience and maintaining a high level anti fraud service since the inception of Shared Services. This is particularly important where reported incidences of fraud have increased nationally.</p>
Improved Services	<p>The standard for Finance continues to be attainment of high quality and best value.</p> <p>Cipfa benchmarking (see page 23) shows the service has –</p> <ul style="list-style-type: none"> • lowest overall cost, • lowest staffing cost and • fewest number of staff providing. <p>Key thinking continues to be few staff, professional attitudes, Finance Managers and accountancy staff who are enthusiastic, dynamic, committed and able to work in small teams. Layers of support have been stripped out and staff have been given responsibility to achieve and excel.</p> <p>The driving approach continues to be <i>one touch processing</i> and <i>right first time</i>.</p> <p>As can be evidenced from Contribution to Shared Services Objectives (see 1.2 above), Benchmarking (see 3.4 below) and in-depth annual reviews by Grant Thornton, this approach has been highly successful. This path continues with all future thinking.</p> <p>Internal Audit receives an in-depth examination each year by Grant Thornton who rely extensively on reviews by Internal Audit. The Service continues to receive a clean bill of health. The Audit Manger has, in addition, extended the range of additional services provided and has improved practices of internal reporting on implementation of recommendations to leadership/management teams and audit committees.</p> <p>The Fraud Service have been actively considering exposure to fraud risk. We have through new harmonised strategies pursued a more aggressive and preventative strategy making better use of data analytics and credit reference agency checks to prevent fraud, adopted tried and tested methods for tackling fraud in risk areas - such as blue badge scheme misuse and followed best practice to drive down Housing Tenancy and Single Person Discount fraud, worked in partnership with other service providers to tackle organised fraud across local services including corporate fraud and are developing approaches to recruitment and procurement fraud.</p>

1.3 Contribution to the Councils' Strategic Objectives	
Three Rivers District Council	<i>"The District should remain a prosperous, safe and healthy place where people want and are able, to live and work"</i>
Safety and Well-being	We will support and enable the Council and its services to meet these objectives
Clean and Green	
Economic Opportunities	
Customer Service	
Watford Borough Council	<i>"A successful town in which people are proud to live, work, study and visit"</i>
Making Watford a Better Place to Live	We will support and enable the Council and its services to meet these objectives
To Provide the Strategic Lead for Watford's Sustainable Economic Growth	
Promote an Active, Cohesive & Well-Informed Town	
Operating the Council Efficiently and Effectively	

1.4

The Future of the Service

Finance provides **three main businesses** – Internal Audit, Fraud Investigation and Accountancy. Section 1.1 (above) provides details on the extensive range of activities within each of these divisions. Over the last three years there have been significant changes with many functions added to the tasks at the outset of Finance Shared Services. This has been successfully accomplished whilst reducing the cost base by a further seventeen percent.

Change continues and Finance is ready to face new challenges to secure continuing improvements. The strategic aim is for continuous improvement with more efficiencies, a reduced cost base and acceptable levels of risk to both councils and the Shared Services Joint Committee.

Internal Audit - The councils are seeking to further reduce service costs whilst maintaining service levels and this may lead to new provision arrangements in 2013. This draft Service Plan is based on current arrangements and costed accordingly.

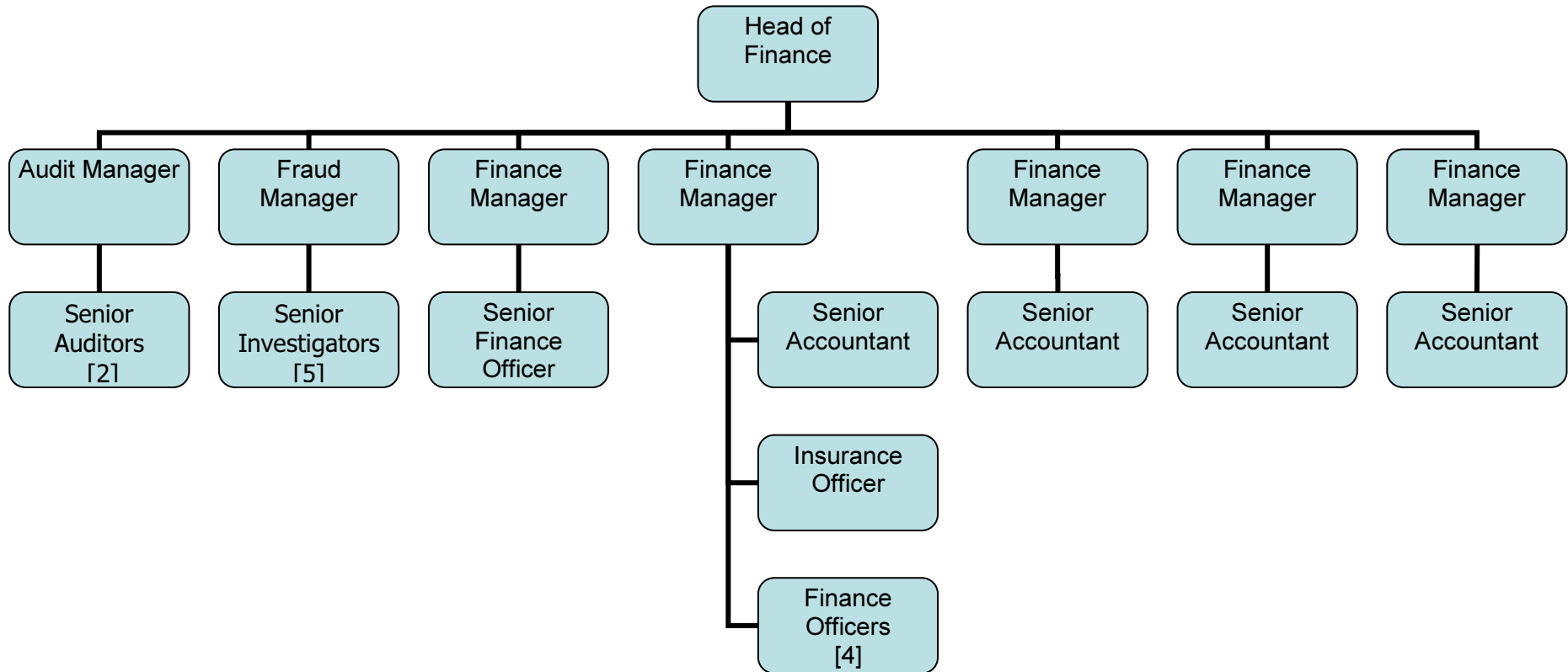
Fraud Investigation - the Government proposed the creation of a single fraud investigation service (SFIS) with additional statutory powers to investigate and sanction all benefit and tax credit offences which will combine relevant resources across Local Authorities, HMRC, and DWP. The service will investigate Universal Credit fraud as well as legacy benefit and Tax Credit offences. It is envisaged from 2013 there will be some harmonised sanction policies with the DWP. Staff will continue to be employed by the respective local authorities with the remit to investigate all benefits that are administered by councils, HMRC and DWP. Implementation of SFIS continues to experience substantial delays. The Government continues to highlight increased risks of fraud and error. The National Fraud Authority report *Fighting Fraud Locally* and was specific to local government and requires a genuine partnership between local and central government and a strategic approach. It recognises that the role of central government is to create the right conditions for local authorities to take the necessary initiatives. This means creating the right incentives to reward councils that reduce fraud; removing barriers to appropriate information-sharing; and providing professional staff with the necessary investigative power. It recommends response to all areas of fraud across housing tenancy, procurement, pay, pensions, recruitment; council tax, grant and blue badge schemes. The Fraud service is reviewing counter-fraud arrangements and exposure to these fraud risk areas, better use of data analytics and more partnership working. The service will continue to monitor the new local council tax in 2013 and minimise fraud occurring at the gateway. All approaches will support the fraud and error vision to minimise fraud and error through awareness, prevention and enforcement.

Accountancy - 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. Service provision and possible overlaps are currently being explored with Revenues and Benefits in the functions of income management, income and bank reconciliations and sundry debtors. Partial service redesign following staffing reductions in 2012 will be reviewed to assess if objectives are being achieved. Outsourcing of services with client councils may lead to further significant cost reductions.

SECTION 2: INPUTS

2.1 People

Organisation Chart



FINANCE SHARED SERVICES ESTABLISHMENT	Grade	No.	FTEs	Currently Vacant
Job Title				
Audit Manager	10	1	1	0
Senior Auditor	8	2	2	0
Fraud Manager	10	1	1	0
Senior Fraud Investigator	7	5	5	0
Head of Finance	MG4	1	1	0
Insurance Officer	6	2	1	0
Finance Manager	10	5	5	0
Senior Accountant	8	4	4	0
Senior Finance Officer	8	1	1	0
Finance Officer	6	4	4	0

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	<p>The majority of both key and senior accountancy positions are occupied by long-serving and highly experienced professionals eligible to retire in the short term.</p> <p>Age profiles in Internal Audit and Benefit Fraud do not pose difficulties in this service plan.</p>	<p>Senior staff must be retained to ensure achievement of business objectives.</p> <p>One key member has opted for flexible retirement (October 2012). It is expected a similar arrangement can be agreed with another key accountant for early 2014.</p> <p>Loss of several key staff may necessitate an overall FTE increase.</p> <p>Incentives to retain key staff should be implemented.</p>	<p>The risk of senior staff leaving in the same timeframe has increased each year and now has arrived at the tipping point.</p> <p>Retirements will have a substantial impact on viability and service delivery and may demand an increase in organisation size and cost.</p>
Market Pay	<p>Market rates of pay will need to be regularly reviewed. The economic climate is not expected to impact on the jobs market in the first year of this Service Plan. Achievement of Best in Class required investment in the best systems, procedures and staff. Procurement rules have bias to lowest system and implementation costs. Not possible to agree fundamental harmonisation requirements. Market pay is based on 62nd percentile for non-shared service organisations.</p>	<p>Review of basis and methodology for application of market factors within a shared service environment. Evidence shows that qualified accountants in our shared services are not remunerated to the levels comparable in nearby London Boroughs and similar sized authorities.</p>	<p>For the lean structure (and getting leaner whilst taking on additional functions) it is essential that finance shared services staff are well above average for knowledge, skills, commitment and engagement.</p> <p>This will require competitive market rates for remuneration together with a premium. Market factors (reviewed annually) have been applied to Senior Auditors and Finance Managers.</p> <p>The Joint Management Boards were requested to apply current market factors.</p>
Succession Planning	<p>Experienced and long serving accountants have been key to securing success and low cost (see Benchmarking).</p>	<p>Continued recognition of skills and age balance (within equalities requirements) for future recruitments.</p>	<p>Action taken had supported a sustainable workforce but deletion of less senior posts has reduced the opportunity to secure effective succession planning.</p>

2.3 Partnerships & Contracts	
Partner / Partnership	Expected Outcomes
Deloitte Touche	DT used to provide additional audit days (c.28 days to assist with meeting the Audit Plan for ICT reviews.
LA VAT	Currently use LAVAT for provision of specialist VAT advice.
Treasury Advisers – Sector	Both councils use the services of Sector.
Insurances	Currently use Zurich for all insurance. New contracts required from April 2013 and procurement process under way.
Banking Services	Extended contracts agreed from April 2013.

2.4 Assets & Technology

Equipment

Workstations each member of staff with IT access. 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, Recording Equipment, Scanning, Mobile Working, Home Working.

Land and Property

Suitable office environment for all sections.

Hot desk facilities at Watford for Finance.

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

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

Accommodation at 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)

Advanced Business Solutions (COA eFinancials)

Aptos (archive facilities)

Radius PowerSolve (archive facilities)

On-Line Banking & Treasury Management

Microsoft Office Applications

Financial Management System (new)

Fraud Module (within Benefits system)

BACs

2.5 Revenue Budgets

Draft Estimates	2012/13	2013/14	2014/15	2015/16
	Revised	Original	Original	Original
	£	£	£	£
Employees	1,335,870	1,390,050	1,419,670	1,438,000
Transport	17,700	16,700	16,700	16,700
Supplies and Services	144,900	151,800	145,200	145,200
External Income	-2,500	-2,500	-2,500	-2,500
Total	1,495,970	1,556,050	1,579,070	1,597,400
<i>Budgets agreed by the Joint Committee November 2011</i>				
Employees	1,357,250	1,409,800	1,468,710	-
Transport	17,630	17,630	17,630	-
Supplies and Services	156,800	150,500	150,500	-
External Income				-
Total	1,531,680	1,577,930	1,636,840	-
Additional Savings (-) / Costs	-35,710	-21,880	-57,770	-

2.6		Revenue Growth, Service Reductions and Cashable Efficiency Gains			
		Description	2013/14 £	2014/15 £	2015/16 £
1	Potential Growth				
	Nil		0	0	0
2	Service Reductions				
	Nil		0	0	0
	Total		0	0	0
3	Cashable Efficiency Gains				
	Nil		0	0	0
	Total		0	0	0

2.7		Capital Investment	
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Scheme Name	New Scheme	Capital				Revenue Implications			
		2013/14	2014/15	2015/16	Future Years	2013/14	2014/15	2015/16	Future Years
		£	£	£	£	£	£	£	£
Nil		0	0	0	0	0	0	0	0

SECTION 3: OUTPUTS AND OUTCOMES

3.1 Customer insight and consultation

I Customer access channels

Service Area	Information Access	Service Access
Financial Advice	Email, internet, intranet, letter, telephone, meetings, training events, face to face	Email, internet, intranet, letter, telephone, meetings, training events, face to face
Financial Management System		
Internal Audit		
Fraud		
Supplier and Customer Payments		
Insurance		

II Customer identification and segmentation data

Service provided	Customer group	Segmentation data held
Internal Audit	Statutory function. External auditors Internal – Staff, occasionally public	Individuals at all levels – job title, name, department, email address etc. Mostly systems and procedures interrogation.
Anti-fraud and corruption	Benefit fraud – tip-offs and information from public (via hotlines, letters), data matching, DWP, HMRC Systems information about individuals, e.g. MOSAIC information	Tip offs – mostly anonymous. As below, NI numbers, bank account details, personnel records. Details of partnership agencies, e.g. DWP.
Creditors payment	External – suppliers of goods and services	Address, creditor's name, VAT number, Head office/business addresses. Income Tax status for some.
Treasury	Banks, building societies, investment advice agencies	Business addresses.
Insurances	External Claimants – public, internal	Claim form details, name, DOB, claimant details, incident details.
Accountancy	Service level service planning, budget monitoring, financial advice.	Service heads/managers – name, department, position, email address.

III Communication and consultation methods

Service provided	Inform	Consult	Engage
Internal Audit	Audit plan – public document Reports – disseminated to Services.	Timeframes for consultation implementation. Audit plan is assessed by Heads of Services and this is open to review.	Committees, Audit, Resources Policy Panel.
Anti-fraud and corruption	Tip-off publicity – website, advertisements on TV, radio etc. (National campaigns) National fraud hotline?	Respond to National initiatives – report on satisfaction.	Successful prosecutions – National press. Also serves as a deterrent.
Creditors payment	Internal, demand-led service.	Internal. This is the end of a process – CP authorise payments. Contact only foreseen if customers enter into complaints process in the case of late payment.	Shared Services Join Committee.
Treasury	Contact with banks and building societies are direct and through brokers.	Market conditions.	Committees – Annual, and 6 monthly review-back looking report Risk management and overall strategy.
Insurances	Insurance companies have involvement and conduct investigations etc. TRDC's remit is to check policies are OK.		No formal reporting strategy but linked to budget monitoring.
Accountancy	Annual report, published on website, letters.	Statutory obligation to consult with commercial representatives and internally - Heads of Services, Members, etc.	Annual report published internally and made available publically.

IV Customer satisfaction measures

Service provided	Measure	Collection method	Timescale for consultation - start date and regularity	Baseline result	Target
Internal Audit	Satisfaction with service provided Quality of service	Contractor-led satisfaction survey (rolling questionnaire) Internal Audit/inspection	Administered after each audit		
Anti-fraud and corruption	Satisfaction Quality of service	Service provision questionnaire Internal Audit/inspection	Annual		
Creditors payment	Satisfaction with service Quality of service	Questionnaire planned Internal Audit/inspection			
Treasury	Satisfaction with service Quality of service	Questionnaire planned Internal Audit/inspection			
Insurances	Satisfaction Quality of service	Survey of internal and external customers Financial Management Model – collecting comments from users Internal Audit/inspection	One-off survey 2006/7	CIPFA collate results and produce compliance scores on aspects of service standards	
Accountancy	Satisfaction with service Quality of service	Benchmarking across other authorities/organisations Internal Audit/inspection			

V Learning from customer consultation

Question	Answer
What key findings has customer consultation work identified in the last year for each service area? Have the needs of a specific customer group been identified?	Customer Insight and consultation new element in service plan
What has been done as a result of customer consultation?	Customer Insight and consultation new element in service plan
How have you feed back to customers that have been consulted?	Customer Insight and consultation new element in service plan
How effective were the consultation methods used? What changes are proposed?	Anti-fraud and corruption service provision questionnaire led to the creation of 12 SLAs

3.2 Service Level Agreements

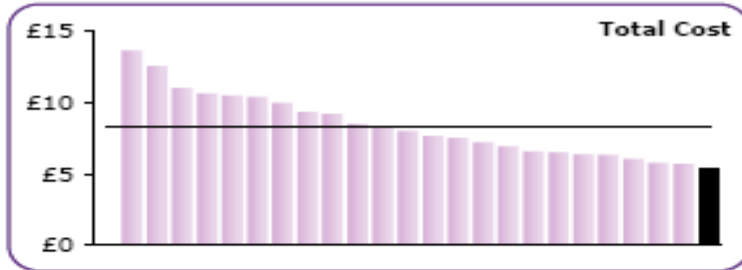
Service Level Agreements were reviewed in 2012 and no changes were required. No services are to be deleted.

3.3 Performance Indicators

PI Reference	Description	Frequency	Target
SSF1	% payment made by BACS	Quarterly	90%
SSF2	Creditor payments paid within 30 days	Quarterly	100%
SSF3	Treasury , Investments and Banking Services Management of short and long term cash flow	Annual	1.3% [WBC] Average Base Rate + 0.12% (TRDC)
SSF4	Month end account closure – reconciliations	Monthly	Task Completed
SSF5	Monthly Budget Monitoring Reports – Overall Revenue Budget Performance	Annual	-3% to 0%

PI Reference	Description	Frequency	Target
SSF6	Monthly Budget Monitoring Reports – Overall Capital Budget Performance	Annual	-3% to 0%
SSF7	Closure of Annual Accounts and production of statements – Statement of Accounts approval	Annual	Task Completed
SSF8	Compilation of government returns – revenue account, revenue summary, capital outturn – (RA, RS,CO)	Annual	Task Completed
SSF9	Benefit Fraud – number of cases investigated	Annual	330
SSF10	Benefit Fraud – Number of sanctions administered	Annual	62
SSF11	The proportion of internal audit recommendations that have been implemented within their agreed timescales.	Quarterly	100% [WBC]

Total Cost per £'k GRT 2011/12
Rows 1-8



CENTRAL ACCOUNTANCY SECTION

1 Accountancy Section

Question		Performance Score						Total	Avg	St Dev
		1	2	3	4	5	6			
1.1	Understanding of your Service	4	1	1	14	33	14	67	4.69	1.21
1.2	Proactive approach	2	4	2	11	32	15	66	4.70	1.21
1.3	Communication with you	3	2	0	14	29	18	66	4.79	1.20
1.4	Financial training for non-finance staff	3	2	6	18	20	11	60	4.38	1.27
1.5	Handling your complaints	2	0	0	6	26	10	44	4.91	1.04

2 Accountancy Staff

Question		Performance Score						Total	Avg	St Dev
		1	2	3	4	5	6			
2.1	Approachability and helpfulness	4	1	0	1	28	34	68	5.21	1.24
2.2	Speed of response to enquiries	3	1	0	8	28	27	67	5.06	1.17
2.3	Adequacy of response to enquiries	3	1	0	5	29	29	67	5.13	1.16
2.4	Clarity/User friendliness of response	3	2	2	5	26	30	68	5.04	1.27

3 Provision of financial information for reports etc.

Question		Performance Score						Total	Avg	St Dev
		1	2	3	4	5	6			
3.1	Adequacy	2	0	0	13	30	14	59	4.88	0.99
3.2	Timeliness	2	1	2	15	25	15	60	4.75	1.12
3.3	Clarity/User friendliness	3	0	1	14	28	14	60	4.77	1.13

4 Budget Preparation

Question		Performance Score						Total	Avg	St Dev
		1	2	3	4	5	6			
4.1	Adequacy of working papers/guidance	2	0	0	12	29	10	53	4.81	0.99
4.2	Consultation with your Service	2	0	0	13	29	7	51	4.73	0.97
4.3	Clarity/User friendliness	2	0	0	14	25	11	52	4.79	1.03

5 Budget Monitoring

Question		Performance Score								
		1	2	3	4	5	6	Total	Avg	St Dev
5.1	Consultation on report production	2	0	4	14	26	8	54	4.59	1.06
5.2	Timeliness of information	2	0	4	12	27	10	55	4.67	1.08
5.3	Clarity/User friendliness	2	1	2	13	29	10	57	4.68	1.08
5.4	Usefulness of information	2	0	0	12	34	8	56	4.79	0.94

6 Final Accounts Procedures

Question		Performance Score								
		1	2	3	4	5	6	Total	Avg	St Dev
6.1	Timeliness of instructions	2	1	2	11	27	16	59	4.83	1.12
6.2	Adequacy/ reasonableness of instructions	2	1	2	12	30	12	59	4.75	1.08

7 Overall rating

Question		Performance Score								
		1	2	3	4	5	6	Total	Avg	St Dev
7	Overall rating	3	1	0	12	33	20	69	4.90	1.13

3.5 Outstanding Recommendations of External Inspections					
Insert here the name of the Inspectorate – the title of their report from which the recommended action has come – and the date of the report					
<i>Action</i>	<i>Priority</i>	<i>Responsibility</i>	<i>Action to Date</i>	<i>Resolved</i>	<i>(Original) Implementation Date</i>
None					

3.6

Projects

There are no specific projects for Finance.

Business as usual requires Finance provide support to corporate projects, for example service redesign or outsourcing Waste, Recycling, Parks and Street Care (Watford), outsourcing ICT (Shared Services), Future Council, local council tax support, retention of business rates and emerging initiatives.

3.7**Equalities**

The Equalities Act 2010 includes a new public sector equality duty (both a general duty and specific duties), replacing the separate duties relating to race, disability and gender equality. The duty came into force on 6 April 2011. The duty places a range of steps that are legally required by local authorities covering issues such as: assessing relevance, using and publishing equality information, engagement, equality analysis, equality objectives, commissioning & procurement and business planning & reporting.

Finance Shared Services will integrate the general equality duty into service planning and will ensure that Equality Impact Assessments are conducted wherever appropriate.

3.8

Risk Management

FINANCE RISK REGISTER

All Services Operational Risks							
Risk	Risk	Impact	Impact Classification	Likelihood Classification	Reason for Assessment		
1	Insufficient staff	Service Disruption	I	E	Need to ensure full establishment and recruitment actions maintain quality to deliver. Further staff reductions in 2012 have increased risk.	Requires Treatment	Accept
		Financial Loss	II			Last Review Date	01/11/12
		Reputation	III			Next Milestone Date	None
		Legal Implications	I			Next Review Date	01/09/13
		People	I			Date Closed	
2	Failure of ICT Systems	Service Disruption	II	E	AP is a key business function.	Requires Treatment	Accept
		Financial Loss	I			Last Review Date	01/11/12
		Reputation	III			Next Milestone Date	None
		Legal Implications	I			Next Review Date	01/09/13
		People	I			Date Closed	
3	Loss of Accommodation	Service Disruption	II	F	AP is a key business function.	Requires Treatment	No
		Financial Loss	I			Last Review Date	01/11/12
		Reputation	III			Next Milestone Date	None
		Legal Implications	I			Next Review Date	01/09/13
		People	I			Date Closed	

Finance Service Operational Risks							
Risk	Risk	Impact	Impact Classification	Likelihood Classification	Reason for Assessment		
4	Fraudulent Activity	Service Disruption	III	E	Increased threat of cybercrime	Requires Treatment	Accept
		Financial Loss	IV			Last Review Date	01/11/12
		Reputation	IV			Next Milestone Date	None
		Legal Implications	II			Next Review Date	01/09/13
		People	I			Date Closed	
5	Mortgagors default	Service Disruption	I	F	Loss of capital receipt and need to invoke legal procedures for restoration.	Requires Treatment	No
		Financial Loss	I			Last Review Date	01/11/12
		Reputation	I			Next Milestone Date	None
		Legal Implications	I			Next Review Date	01/09/13
		People	I			Date Closed	
6	Progress against Audit recommendations is not monitored, they are not implemented and internal controls are therefore weakened	Service Disruption	I	F	If Internal Audit recommendations are not implemented essential controls will be inadequate and the Council's governance arrangements will be weakened.	Requires Treatment	No
		Financial Loss	III			Last Review Date	01/11/12
		Reputation	III			Next Milestone Date	None
		Legal Implications	II			Next Review Date	01/09/13
		People	I			Date Closed	
7	Failure to renew banking services contract. [Banking Contract successfully renewed in 2012]	Service Disruption	II	F	Failure to ensure banking arrangements in place will have serious impacts on council cash flows and inability to meet needs of customers and suppliers with major impact on the vulnerable.	Requires Treatment	No
		Financial Loss	I			Last Review Date	01/11/12
		Reputation	I			Next Milestone Date	None
		Legal Implications	I			Next Review Date	01/09/13
		People	I			Date Closed	
8	Fail to close Accounts on time	Service Disruption	III	F	2011/12 Accounts for Watford, Three Rivers and Shared Services closed and reported on time.	Requires Treatment	Accept
		Financial Loss	1			Last Review Date	01/11/12
		Reputation	III			Next Milestone Date	None
		Legal Implications	I			Next Review Date	01/09/13
		People	I			Date Closed	

Version Control

Version No.	Date	Reason for Update / Significant Changes	Made By
0.1	12/09/03	Draft for discussion with Audit Manager & Fraud Manager	AP
0.2	12/09/20	Draft for discussion with Finance Shared Services Staff	AP
0.3	12/10/30	Draft for discussion with Shared Services Management Team	AP
0.4	12/11/05	Draft for Shared Services Joint Committee November 2012	AP