



DRAFT FINANCE SERVICE PLAN 2014 - 2017

Version 0.2 – Joint Shared Services Committee – 18 November 2013

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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 s151 Chief Finance Officer, 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 Officer's 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.

Accountancy is located in Rickmansworth. The Fraud service has offices in both town halls to ensure their effectiveness. Internal Audit is provided through a partnership with the County Council and five district councils – the Shared Internal Audit Service (SIAS).

Finance functions are grouped into 4 main areas:

Accountancy

- Budget setting and reporting – Capital and Revenue
- Month end and annual closing of ledgers
- Collection Fund Accounting
- Reconciliations of financial management and subsidiary source systems
- Budget monitoring reports
- 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 including enhanced vetting procedures for new staff
- Anti-Fraud and Corruption Strategies
- Tenancy Fraud
- Council Tax Reduction Scheme, NNDR, Council Tax Single Persons Discount

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
- Prevention Social Housing Fraud Act 2013

1.2 Contribution to Shared Services Objectives

Savings

Finance met all the savings required in the original business case for shared services..

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

Four posts have already been deleted from the steady-state finance establishment.

	2009/10	2010/11	2011/12	2012/13
ADDITIONAL SAVINGS	£(000)	£(000)	£(000)	£(000)
Original Budget - Joint Committee Sep '09)	1,728	1,711	1,755	1,808
Outturn	1,698	1,611	1,533	1,420
Annual Savings	<u>30</u>	<u>100</u>	<u>222</u>	<u>388</u>

The savings over the Business Case are in excess of £1m and now run at more than £400k per annum.

These cost reductions have been internally driven, identified, managed and secured.

There has been significant improvement in the range of services provided by Finance and the absorption of services from Revenues & Benefits and Human Resources since the inception of the Shared Services Programme.

The service has prepared to meet further cost reductions.

<p>Resilience</p>	<p>The Accountancy service is experienced in providing a Business Partner service having operated this basis of delivery for two decades.</p> <p>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. Accountancy is preparing to reorganise the face of its delivery following structural reorganisations in both councils in 2013 and the move to a lead authority model for shared services commencing in 2014.</p> <p>During 2012 an Accountancy restructure was completed to improve resilience between the remaining Accountancy staff. Staffing was reduced by four posts (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. The 2012 restructure is being reviewed to achieve further savings which are reflected in section 2.5. This restructuring is now being reviewed in the light of the need to make further savings.</p> <p>In 2013 the Internal Audit service was outsourced to the Shared Internal Audit Service (SIAS) in which Three Rivers and Watford are full partners.</p> <p>2014 brings new challenges for Accountancy –</p> <ul style="list-style-type: none"> • To achieve additional savings demanded by Watford in connection with the outsourcing of frontline services to Veolia • To reshape the service following organisational restructurings in both councils in 2013. • To implement a new service delivery model with the move to a Lead Authority model for Shared Services • To achieve effective succession planning following the retirements of key experienced staff • To mitigate or accept increased risks associated with fewer staff and less effective internal controls • To meet the challenges presented following the move to a shared Chief Finance Officer • To take advantage of opportunities for further harmonisation • To secure effective joint working with Revenues & Benefits following key management changes <p>In specialist skill areas, work shadowing occurs to widen and strengthen the knowledge base.</p> <p>The Fraud team has been designed with the emphasis on experience within a flat operating structure. It has been 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> <p>In 2013 the filed of fraud managed has expanded to include tenancy fraud, blue badge fraud and new employee screening.</p> <p>The Government are still pursuing options for a Single Fraud Investigation Service and updates will be reported during the next twelve months.</p>
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<p>Improved Services</p>	<p>Reduced resources no longer allow participation in the Cipfa Benchmarking exercise as in previous years where Accountancy was continually had –</p> <ul style="list-style-type: none"> • lowest overall cost, • lowest staffing cost and • fewest number of staff providing. <p>Since the last exercise, Accountancy has deleted almost four full-time equivalents <i>and has to secure further savings in 2014/15</i>. The non-participation in benchmarking can take comfort from the cost reduction direction of travel in the last few years.</p> <p>On the quality side of the equation – Accountancy has continued to -</p> <ul style="list-style-type: none"> • Meet the statutory timetable for completion of the statement of accounts • Achieve the statutory timetable for audit of accounts • Secure unqualified opinions on the accounts from the Auditors. • Ensure compliance with statutory deadlines for Whole of Government Accounts, DCLG annual & quarterly accounting returns for revenue and capital estimates, in-year spending and outturns and council tax setting returns. • Achieved all targets for the budget setting processes, and timetables for budget monitoring. • Accountancy has improved management of the annual audit process and were assessed as upper quartile performance for overall standards by Grant Thornton in 2012 and maintained this progress in 2013. <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. The driving approach continues to be <i>one touch processing, see it - do it and 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 (now provided by SIAS) receives an in-depth examination each year by Grant Thornton who rely extensively on the quality of and coverage by SIAS . The Service continues to receive a clean bill of health.</p> <p>The Fraud Service have been actively considering exposure to fraud risk. It has implemented new harmonised strategies and 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>
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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 **several main businesses** – Internal Audit, Fraud Investigation, Accountancy, Insurances, Treasury Management and Investments, VAT and Accounts Payable.

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 further.

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 – Costs have further reduced by partnering with the Shared Internal Audit Service. Both councils have representation on the SIAS Partnership Board.

Fraud Investigation - the Government announced in 2010 a fraud and error strategy that 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 would combine relevant resources across Local Authorities, HMRC, and DWP. The service was intended to investigate Universal Credit fraud as well as Tax Credit offences. In September 2013 the DWP re affirmed their commitment to the scheme following some testing at a variety of pilot sites which included the testing of partnership approaches. The proposal remains only a recommendation at this point until the final business case is completed by the DWP and funding from treasury is obtained. It remains unclear still what elements in respect of benefit fraud will transfer in terms of whether only passported DWP benefits are included. The proposal does not affect also the Council tax reduction scheme and residual benefits. .

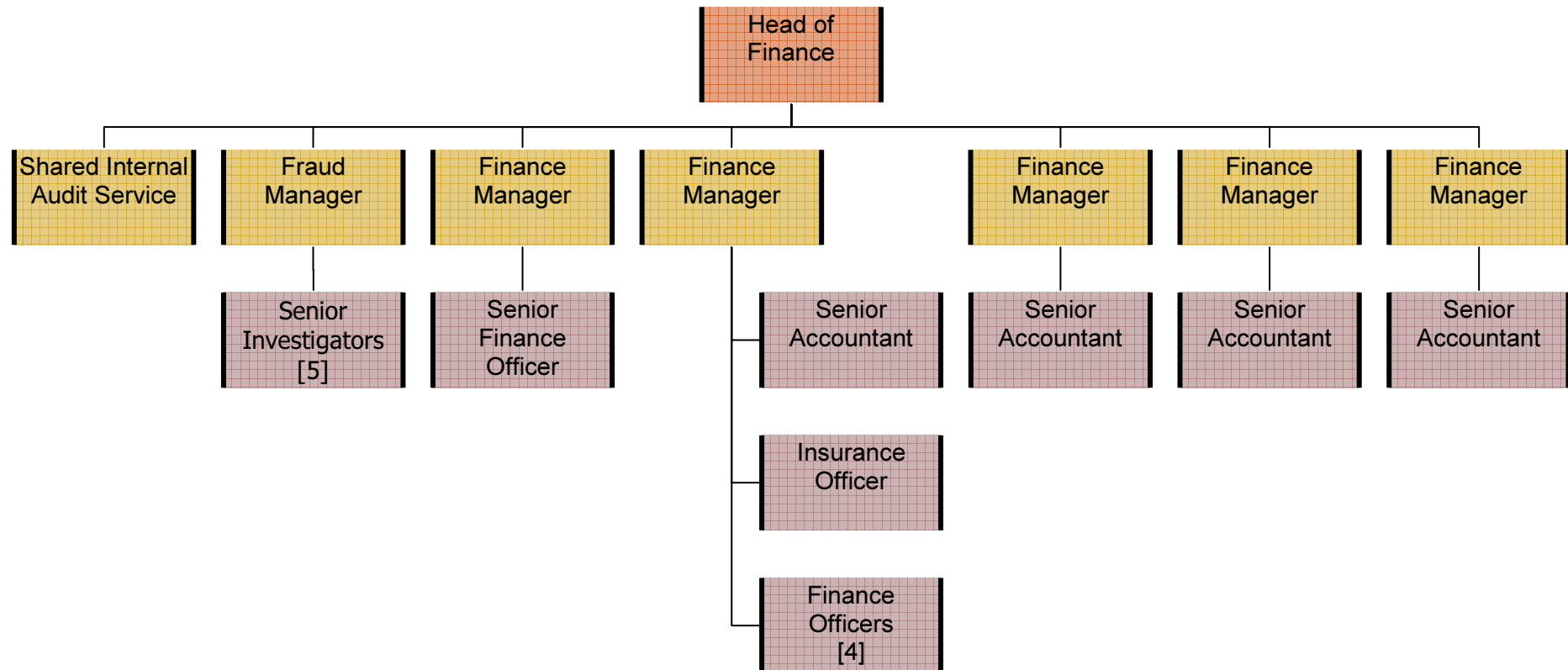
The Fraud service is reviewing counter-fraud arrangements and exposure to tenancy fraud, procurement, pay, pensions, recruitment; council tax reduction scheme, grant and blue badge schemes through better use of data analytics and more partnership working. All approaches will support the fraud and error 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 financial competencies of managers and budget holders. The appointment in 2013 of a Shared Director of Finance will significantly improve the probability of successful outcomes of further harmonisation.

SECTION 2: INPUTS

2.1 People

Organisation Chart [as at November 2013 – will be updated incrementally through to June 2014 to achieve “2nd Savings Requirement]



FINANCE SHARED SERVICES ESTABLISHMENT – November 2013	Grade	No.	FTEs	Currently Vacant
Job Title				
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

FINANCE SHARED SERVICES ESTABLISHMENT – June 2014	Grade	No.	FTEs	Currently Vacant
Job Title				
Fraud Manager	10	1	1	0
Senior Fraud Investigator	7	5	5	0
Head of Finance	MG4	1	1	0
Insurance Officer	6	1	1	0
Finance Manager	10	6	5.5	0
Senior Accountant	8	3	3	0
Senior Finance Officer	8	1	0.8	0
Finance Officer	6	3	3	0
Junior Finance Officer	tba	1	1	1

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 the Anti-Fraud team do not pose difficulties at present.</p>	<p>Senior staff must be retained to ensure achievement of business objectives.</p> <p>One Finance Manager opted for flexible retirement in October 2012. A second Finance will retire in mid-2014. An Insurance Officer will be retiring in early 2014.</p> <p>It was previously considered 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 arrived.</p> <p>Retirements will have a substantial impact on viability and service delivery and may demand an increase in organisation size and cost.</p> <p>The tipping point has arrived and events in the months to June 2014 will be key in achieving a phased and comfortable transition to a new 'steady state'</p> <p>Recognition of the inevitable issue over the last four years, subsequent planning, staff training and work allocation has ensured a good and sustainable position for sustainable future.</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.</p> <p>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</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>I</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>

	service organisations.		
Succession Planning	Experienced and long serving accountants have been key to securing success and low cost (see Benchmarking).	Continued recognition of skills and age balance (within equalities requirements) for future recruitments.	Action taken had supported a sustainable workforce but deletion of less senior posts has reduced the opportunity to secure effective succession planning. Reference should be made to the comments at Age Profile above

2.3 Partnerships & Contracts	
Partner / Partnership	Expected Outcomes
Shared Internal Audit Service	SIAS are used to provide to provide the full range of internal audit services under a Partnership arrangement for councils, five other Hertfordshire district councils and the County Council.
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. Contracts end in March 2014 and a procurement process is currently being progressed.
Banking Services	Contracts end in March 2014 and a procurement process is currently being progressed.
National Anti Fraud Network	Fraud intelligence and support with applications under Regulation of Investigatory Powers Act

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

Advanced Business Solutions (COA eFinancials)

Budget Monitor II (Alan Thomas – internally written and maintained interrogation and reporting software used as front-end to the ABS FMS.

Aptos (archive facilities)

Radius PowerSolve (archive facilities)

On-Line Banking & Treasury Management

Microsoft Office Applications

Financial Management System (new)

Fraud Module (within Benefits system)

In-Case

ID Manager

BACs

2.5 Revenue Budgets

Budgets agreed by the Joint Committee November 2012	2013/14	2014/15	2015/16	
	Original	Original	Original	
	£	£	£	
Employees	1,390,050	1,419,670	1,438,000	
Transport	16,700	16,700	16,700	
Supplies and Services	151,800	145,200	145,200	
External Income	-2,500	-2,500	-2,500	
Total	1,556,050	1,579,070	1,597,400	
Draft Estimates for the Joint Committee November 2013	2013/14	2014/15	2015/16	2016/17
	Revised	Original	Original	Original
	£	£	£	£
Employees	1,246,590	1,268,330	1,275,020	1,289,230
Transport	14,600	14,250	14,250	14,250
Supplies and Services	150,960	133,960	133,960	133,960
External Income	-4,000	-4,000	-4,000	-4,000
Total	1,408,150	1,412,540	1,419,230	1,433,440
Additional Savings (-) / Costs	(147,900)	(166,530)	(178,170)	

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

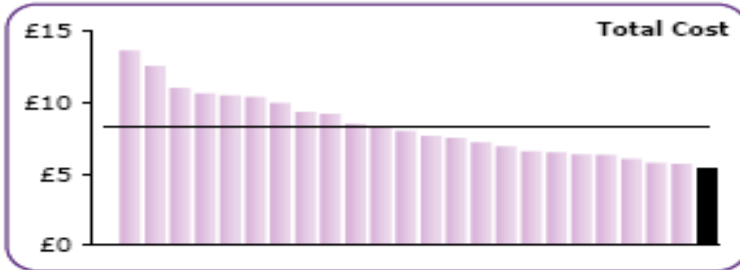
Service Level Agreements were reviewed in 2012 and no changes were required. No services are to be deleted.

3.3 Performance Indicators

PI Reference	Description	Frequency	Target
SSF1	% payment made by BACS	Monthly	90%
SSF2	Creditor payments paid within 30 days	Monthly	100%
SSF3	Treasury , Investments and Banking Services Management of short and long term cash flow	Annual	Average Base Rate + 0.12%
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	Internal Audit - percentage of actual SIAS billable days against planned chargeable days (excluding unused contingency)	Quarterly	95%
SSF12	Internal Audit - Planned Projects – percentage of completed projects against planned completed projects	Quarterly	95%
SSF13	Internal Audit – Client Satisfaction – percentage of client satisfaction questionnaires returned at 'satisfactory' level	Quarterly	100%
SSF14	Internal Audit – number of high priority recommendations agreed	Quarterly	95%

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



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	
<p>There are no specific projects for Finance.</p> <p>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.</p>	

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	
		People	I				
5	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	
6	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	

