

FINANCE BEST VALUE REVIEW

1 SUMMARY

- 1.1 This report appraises Members of the revised action plans in respect of Financial Services and Housing Benefits emanating from the above mentioned review.

2 BACKGROUND

- 2.1 A Best Value review of Financial Services was carried out during 2002, culminating in a final report to this Committee on 22 July 2003.
- 2.2 The principle was accepted that the Benefits Service should aspire to achieving compliance with the Performance Framework set out by the Department for Work and Pensions. It was further agreed that, for financial services, the objective should be to comply with the Comprehensive Performance Assessment for Financial Services as set out by the Audit Commission to the highest score possible Audit Scored Judgements (ASJ)).
- 2.3 At the time of the report mentioned at 2.1. above, the criteria for achieving the above two objectives had recently changed. It was, therefore, agreed that revised action plans be brought before this Committee.

3 REVISED ACTION PLANS

- 3.1 The revised action plan for Financial Services is attached as Appendix 1 of this report. The action plan for Benefits is included within the concurrent report to this meeting dealing with Performance Framework.

4 RISK IMPLICATIONS

4.1 Strategic Risk

Essential for the wellbeing of the organisation that Financial Services meets the highest score possible set out by the Audit Commission in order to ensure good corporate governance.

4.2 Resource Risk

Good financial management identifies any resource risks facing the authority and allows those risks to be managed.

4.3 Operational Risk

Failure to provide sound financial systems could lead to service failure. In areas such as Housing Benefit, efficient front line service provision is essential for the wellbeing of the local population.

4.4 Reputation Risk

Any financial failure would severely damage the reputation of the Council.

4.5 Information Risk

Sound IT systems are essential to ensure good financial management and service provision for the authority.

4.6 Regulatory Risk

The majority of the areas covered by the Financial Services review dealt with statutory services. Failure to provide services in accordance with Government directives could result in grant loss.

4.7 Third Party Risk

Failure to provide services could result in hardship to third parties which may lead to claims for compensation against the authority.

5 RESOURCE IMPLICATIONS

- 5.1 Generally the resource implications are in respect of officer time in implementing the plans. Any estimates of costs arising from the implementation will be reported to Members for inclusion in the budget at the appropriate time.

6 RECOMMENDATION

- 6.1 It is proposed that the Committee **RESOLVES**

To agree the proposed action plan.

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Background Papers:

None

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SERVICE ACTION PLAN

APPENDIX 1

Sheet no

Service

FINANCIAL SERVICES

Note ASJ = Audit Scored Judgements

No.	Specific Action	Means of Achievement	Measurable Targets	Lead Officer	Support Officer	Progress				Comments	Corporate Plan Ref
						-	-	o k	+		
1	Maintain a balanced budget	Draw up budget strategy and seek Members approval	Remove dependence on reserves and maintain General Fund balance at agreed level. Balance the Housing Revenue Account and have a balanced Capital Programme	DD	YW					Budget strategy currently on target. Estimates production on target and Committee process dates set.	7.1 & 7.13
2	Risk Management Culture	Create risk registers and business continuity plans	Register and plans in place	DD	YW					Training sessions completed. Jan. 2004	7.14

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3	Reduce the number of days lost due to sickness	Improve reported information for Heads of Service and Personnel Officer	Regular statistics produced	DD	CR				Statistics being produced. Separation for self certificated and certificated now required. Information flow on sickness reporting to be reviewed	7.3
4	Obtain views of trade creditors in relation to the payment of bills and information they receive	Survey to all regular creditors	Good response	CR	SB				Survey undertaken	7.2
5	Produce Action plan following survey of trade creditors	Draw up action plan, discuss with payments and income staff	Action plan with dates and targets	CR	SB				Summary of results and action plan deferred. April 2004	7.2
6	Undertake internal survey on Financial Services performance	Good response to survey		YW	CR				Survey undertaken	7.2
7	Produce action plan following internal survey relating to Financial Services	Draw up action plan, discuss with DD and CR	Action plan with dates and targets	YW	CR				Action plan to be produced by the end of March 2004.	7.2

8	Move to payments by BACS and away from cheques including Housing Benefits	Draw up action plan	Majority of payments made by BACS	CR	SB/PS			Suppliers submitting data & being loaded into creditors. First run completed Nov. 03 for ordinary creditors. Revenue Division under way. Target for implementation Jan 2004.	7.14
9	Introduce electronic returns to Custom and Excise and Inland Revenue	Draw up action plan	Electronic returns in place	CR	SB			Deferred to April 2004.	7.14
10	Introduce test stage e-procurement system	Draw up action plan working with Sarah Fowler and Dawn Tribe	Test area operational	YW	CR			Test areas in operation	7.4
11	Introduce e-procurement to defined areas through rollout programme	Draw up action plan working with Sarah Fowler and Dawn Tribe. Amend processes where required	Defined areas operational	YW	CR			Roll out areas being identified. Problem solving with software being carried out	7.4

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12	Undertake risk assessment of material items of income and expenditure within the Financial Strategy (both revenue and capital budgets)	Report to Members and obtain their agreement	Members agreement of risk and reporting mechanisms	DD	YW				Report submitted to P & F 1st October 03	ASJ - 1.1.3
13	Set up systems for reporting of income and expenditure following Member determination of risk management report on budget strategy	Set up standard and non-standard reports within General Ledger and agree reporting format and timetable	Regular reporting to Members	YW	MP				Following meeting, timetable to be determined and reporting template produced. First report to Committee March 2004	ASJ - 1.1.3
14	Consider action plans in relation to variations in the budget strategy	Corporate Action Plan format used for key budgets as identified in risk management report	Not yet identified	YW	MP				Consider action plans March 2004.	ASJ - 1.3.5
15	Ensure Asset Management Plan links /Capital Strategy with Capital Programme	Identify links in published plan	All AMP issues in draft Capital Programme	DD	YW				Will be undertaken when draft capital programme drawn up for January 04 meeting	ASJ - 1.2.1

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16	Ensure that Heads of Services have performance assessment on revenue and capital budgets that are their responsibility	Draw up action plan	Implementation of performance assessment	DD	CMB				Prepare report with Personnel Officer and report to CMB April 2004.	ASJ - 1.3.1
17	Provide evidence that Revenue and Capital Budgets are monitored by Managers	Introduce confirmation from HOS that information has been viewed and that all appropriate action taken	Ongoing confirmation from HOS	YW	MP				System introduced	ASJ - 1.3.2
18	Ensure there are targets for the collection of income	Identify all material income from the risk assessment process, with HOS define targets	Monitoring requirements identified	DD	YW				Following risk management report on budget strategy - Information needs to be gathered from H OS and a Corporate document produced. Submit to Members as part of budget monitoring report. March 2004.	ASJ - 1.4.2

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19	Keep up to date Treasury Management practices in line with CIPFA code	Review CIPFA code and carry out self assessment of existing practices. Up date as required	Continued compliance with code	YW	MP				Practices reviewed Aug/ 2004. The role of Sector will be reviewed in Dec. 2003	ASJ - 3.3.1
20	Financial Statement fully compliant with requirements	Undertake checklist on adherence to professional guidance before submitting Statement of Accounts to Audit	External Audit agrees fully compliant	YW	MP				No adverse comments from external audit at first stage feedback session with Stuart Frith in Sept 03.	ASJ - 4.2.1 & ASJ - 4.3.1
21	Ensure working papers for external audit are complete	Undertake checklist on audit requirements before auditors attend	No adverse comments on documentation following audit	YW	MP				No adverse comments from external audit at first stage feedback session with Stuart Frith in Sept 03	ASJ - 4.2.1
22	Compliance with new timetable for closure of accounts	Draw up action plan	Compliance with new dates	YW	MP				Accounts for 2003/04 closed within new requirements	ASJ - 4.1.1 & ASJ - 4.1.2
23	Ensure that all office procedures write ups are up to date	Define what procedures should be documented and draw up action plan to keep updated	Up to date procedure write ups in place. In evidence file by the 7th November 03	YW/CR	ALL				Write up's in place. Now being tested on day to day operations.	7.2

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24	Ensure that links are clearly shown between BVPP/Corporate Plan and Budget Strategy	Review all plans and include in draft Budget Strategy	Include references in budget strategy	DD	YW				Will be incorporated in budget report in December 03	ASJ - 1.1.2
25	Keep Housing Business Plan up to date	Regular review of plans and ensure plan is used in decision making	Plan in place, up to date and used by all those concerned with housing	DD	YW				Will be updated as part of Budget strategy commencing December 2003.	7.11
26	Ensure that the financial strategy for Park Sports center is kept under review	Regular review	Park Sports Centre financial strategy is in step with actual developments	DD	YW				Information supplied into Budget Strategy, Prudential borrowing now approved. Awaiting information from Holmes Place on VAT issues.	7.11
27	Develop new banking contract and electronic account management	Working party set up under Mike Worship	Bank account operational - Positive pay in operation - removal of paid cheques and credit slips	DD	YW/CR				Account in operation, Positive Pay in use. Decisions to be made regarding cheques and slips by the end of December	7.14

28	Implement Risk Management culture and Risk Register for Financial Services	Training then continue with self assessment and action points	Risk Register in place and Business continuity plan agreed	DD	YW/CT				Training received. Target dates for risk registers December 2003. Business continuation plan May 2004.	7.14 & ASJ - 2.3.1 & 2.3.2 & 2.3.3
29	Produce Business Plan for new accounting software	Consider requirements for new system, research the market and produce business plan	Plan submitted to CMB	DD	YW				Work will be undertaken if sunset letter received, Euro entry announced or time is deemed appropriate. Low priority at present.	7.14
30	Identify Performance Management for Financial Services	Review best practice for Financial Services and apply performance management on a risk management approach	Local performance targets in place	DD	YW				Following implementation of risk registers. Target April 2004.	7.2
31	Identify a framework for the Prudential code of Borrowing	Consider code and merge with budget strategy	Members agreement of risk and reporting mechanisms	DD	YW				Budget strategy January 2004.	7.11

- BEHIND PROGRAMME - UNLIKELY TO CATCH UP
- BEHIND PROGRAMME - EXPECT TO CATCH UP
- + AHEAD OF PROGRAMME