



PORTFOLIO HOLDER DECISION NOTICE

INDIVIDUAL DECISION BY THE PORTFOLIO HOLDER FOR FINANCE AND EFFICIENCY

TOPIC – FINANCIAL SERVICES BUSINESS PLAN 2009/10 ONWARDS

PROCEDURAL INFORMATION

The Access to Information Procedure Rules – Part 4, Section 22 of the Council's Constitution provides for a decision to be made by an individual member of Cabinet.

In accordance with the Procedure Rules, the Corporate Director (Governance), the Chief Executive and the Head of Finance are consulted together with Chairman and Vice Chairman of the Principal Scrutiny Committee and all Members of the relevant Scrutiny Panel (individual Ward Members are consulted separately where appropriate). In addition, all Members are notified.

Five or more of these consulted Members can require that the matter be referred to Cabinet for determination.

Contact Officer:

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Committee Administrator:

Colin Veal, Tel: 01962 848 438, Email: cveal@winchester.gov.uk

SUMMARY

Approval is sought to the detailed Business Plan for this Division. The Business Plan sets out the key actions that the Division will undertake over the coming five year period, with SMART (Specific, Measurable, Agreed, Resourced and Timed) targets (both through actions and performance indicators) by which progress will be measured and monitored. The Plan also gives additional information about the role of the Division, the resources allocated to it (in terms of both staff and budgets) and the key risks that are being addressed through its work.

Key actions to be undertaken in this Division are:

- To produce the annual Statement of Accounts that is fully compliant with the accounting guidance and within the timescales legislated,
- To upgrade or replace the core Financial system (including e-procurement),
- To complete 95% of the annual internal audit plan,
- To keep the Investment Strategy under review and update as and when appropriate,
- To take all action appropriate to recover the Council's funds that are at risk in the Heritable Bank (in administration),
- Provide Finance input to the Council's Major projects – incl. Waste mgt contract, Silver Hill, RPLC, IT contract,
- To achieve Customer Service Excellence.

The Head of Division is satisfied that the actions put forward in this Business Plan will work towards the Council's objectives, as set out in the Sustainable Community Strategy 2009-14 and Corporate Business Plan or otherwise ensure that the Council meets the statutory obligations put on it by central Government. Other than where indicated, these actions can be achieved within the resources available. Plans are in place, or will be developed, to ensure that targets shown for key performance indicators can be achieved in the timescales shown

DECISION

That the Business Plan for the Financial Services Division be approved as attached at Appendix A.

REASON FOR THE DECISION AND OTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

Business Plans form an important part of the Council's performance management process as they set out the key actions for the coming year. The Business Plan put forward for adoption sets out the actions that will best help the Council achieve the outcomes as set out in the Sustainable Community Strategy and meet its statutory obligations within the resources available to it.

The Resources Panel has been consulted on the Business Plan and raised the following issues:

None.

**FURTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED
FOLLOWING PUBLICATION OF THE DRAFT PORTFOLIO HOLDER DECISION
NOTICE**

N/A

**DECLARATION OF INTERESTS BY THE DECISION MAKER OR A MEMBER OR
OFFICER CONSULTED**

None.

DISPENSATION GRANTED BY THE STANDARDS COMMITTEE

N/A

Approved by: (signature)

Date of Decision

This was signed 8 June 2009

Councillor Frederick Allgood - Portfolio Holder for Finance and Efficiency

Financial Services Business Plan 2009/10 – 2013/14

1. Brief Description of the Service and its Purpose

Financial Services provides the following main functions:

- Financial Accounts –
 - To ensure that the Council produces timely and accurate statutory accounts
 - To provide effective treasury management services for the Council
 - To ensure compliance with VAT requirements and assist in tax planning
 - To provide accountancy services to the South East Employers in accordance with the terms of the contract
- Management Accounts –
 - To ensure that the Council's medium term financial strategy, budgets and capital programme are soundly based and designed to deliver its strategic priorities
 - To ensure that the Council manages performance against budgets and manages its spending within the available resources
- Audit –
 - To provide an independent appraisal function of Council activities through the provision of an Internal Audit service
- Insurance & Risk Management –
 - To ensure all Council assets and resources are insured appropriately and to support best practice in the management of Council risks

2. Links between Council strategic priorities and services

<i>Strategic priority</i>	<i>Divisional responsibility</i>
All Key Service Areas	<ul style="list-style-type: none"> • The provision of Financial Services to support Members and other Divisions in achieving their objectives.
Health and Well Being	<ul style="list-style-type: none"> • Financial advice and services to relevant projects led by other Divisions.
Safe and Strong Communities	<ul style="list-style-type: none"> • The provision of Financial Services to support Members and other Divisions in achieving their objectives.
Economic Prosperity	<ul style="list-style-type: none"> • Support the work of other Divisions in maintaining and improving the economic wellbeing of the District, including Business Continuity planning.
High Quality Environment	<ul style="list-style-type: none"> • Ensure the sustainable use of resources, encouraging a paper free environment, and adopting modern working practices.
Inclusive Society	<ul style="list-style-type: none"> • Provision of relevant information on Division's functions through the website.
An Efficient and Effective Council	<ul style="list-style-type: none"> • Implementation of core finance system • Implementation of Retriever EDRMS system in Financial Services.

3.

Summary of Progress in 2008/09

A) Key Service Priorities

	Why are we doing this?	What will we do?	When will we do it?	How will we measure our success?	How much time/money will it take?	Who's accountable?	Progress
1.	This is a legislative requirement	Produce annual Statement of Accounts fully compliant with the accounting guidance and within the timescales legislated.	March to June	Unqualified Accounts and no significant ISA issues. Members receive Accounts in good time and with adequate briefing.	Internal staff resources identified in project plan	Principal Financial Accountant	Unqualified accounts and no material issues – although audit working papers were not available to meet the earlier audit timetable
2.	To ensure effective management of taxpayers' money	Ensure that appropriate monitoring and reporting procedures are in place for the Council to manage performance against budgets effectively.	To be further developed during 2008/09	Standard suite of monthly management reports issued in electronic format within 10 working days of the period end, including management summary of key variances.	Resources identified in project plan.	Principal Management Accountant	Fully met
3.	This relates to one of our corporate	Procure and implement	2008/09 – 2009/10	Completed to time and within budget	Resources to be identified in	Head of Finance	Project Manager

	Why are we doing this?	What will we do?	When will we do it?	How will we measure our success?	How much time/money will it take?	Who's accountable?	Progress
	objectives: An Efficient & Effective Council	replacement core Financial system (including e-procurement)			project plan. £150k in Capital programme		recruited and trained in PRINCE 2 – and options now being considered
4.	This relates to one of our corporate objectives: An Efficient & Effective Council	Following implementation of changed Accountancy team structure – develop & embed new working practices	2008/09	Continued service delivery and improved service in the longer term.	Internal staff time. Some training and team building.	Head of Finance	Considerable progress and seeking continuous improvement
5.	To ensure the effective management of taxpayers' money	Provide financial information and challenge to support service reviews	2008/09	Base revenue budgets fully aligned to corporate priorities and endorsed by Members	Internal staff resources	Head of Finance	Completed and balanced budget presented.
6.	To ensure the effective management of taxpayers' money	Develop monthly monitoring of the capital programme	April – September 2008	Monthly Red /Amber/Green reports with variance explanations	Internal staff resources	Principal Management Accountant	Fully Implemented

	Why are we doing this?	What will we do?	When will we do it?	How will we measure our success?	How much time/money will it take?	Who's accountable?	Progress
7.	To ensure the effective management of taxpayers' money	Complete 95% of annual internal audit plan	During 2008/09	Completed on target	Internal staff resources	Internal Audit Manager	87% of audit plan achieved in 2008/09 (PS366)
8.	This relates to one of our corporate objectives: An Efficient & Effective Council	Present proposals for shared working opportunities in Design & Print	April – Sept 08	Report with options assessed and recommendations	Internal staff resources	Design and Print Manager	Superseded by restructure of the team
9.	This relates to one of our corporate objectives: An Efficient & Effective Council	Develop standard template for financial appraisals	2008/09	Comprehensive & consistent presentation of financial information in committee reports	Staff resources	Head of Finance	Implemented for key projects
10.	This relates to one of our corporate objectives: An Efficient & Effective Council	Develop "Rolling forecasts" for employee costs	2008/09	Effective paybill management	Staff resources	Principal Management Accountant	Significant progress in monitoring reports for CMT – supported the delivery of targeted savings

B) Other Tasks and Proposed Developments and Improvements of the Service

	Why are we doing this?	What will we do?	When will we do it?	How will we measure our success?	How much time/money will it take?	Who's accountable?	Progress
1.	Effective use of resources	Review & update capital strategy& financial strategy	Annually per the timetable	Strategy fit for purpose	Internal staff resources – 10 days	Head of Finance / Principal Management Accountant	Completed
2.	Effective use of resources	Review & update treasury management strategy	Annually per the timetable	Strategy fit for purpose	Internal staff resources – 8 days	Head of Finance / Principal Financial Accountant	Completed – and Investment Strategy Revised during the year in response to changing circumstances
3.	Effective use of resources	Review of funding and options appraisal for new offices	In accordance with the project timetable	New offices built within budget and appropriately funded	Resources to be identified in project plan	Head of Finance	No input requested for this project in 2008/09
4.	Efficient & Effective Council	CIPFA benchmarking for accountancy and treasury Services	Annually in accordance with CIPFA timetables	Completed on target	Staff resources - 6 days	Head of Finance	Treasury Management benchmarking completed.

	Why are we doing this?	What will we do?	When will we do it?	How will we measure our success?	How much time/money will it take?	Who's accountable?	Progress
5.	Effective use of resources	Ensure the timely and accurate completion of Annual Efficiency Statements	In accordance with the timetable	Timely and accurate submissions	Staff resources – 15 days	Management Accountant	Submitted in accordance with timescales
6.	To support effective corporate governance	Take actions to ensure that the assurance framework is fully embedded in the Council's business processes.	By June 2008 and ongoing	External Audit feedback	Internal Staff resources	Internal Audit Manager	Ongoing
7.	Efficient & Effective Council	Submit an application for the Charter Mark Award	2009/10	National accreditation for service delivery excellence	Internal staff resources	Internal Audit Manager	Planned for 2009/10
8.	To ensure the effective management of taxpayers' money	Develop rolling forecasts for the capital programme	2008/09	Forecast 5 year capital programme	Internal staff resources	Principal Management Accountant	Completed and being further developed

4. Service Priorities 2009/13 – Key Priorities

A) Significant Areas of Work and Projects for 2009/10 (*Top Ten Priorities*)

Target No.	Why are we doing this?	What will we do?	When will we do it?		Expected Outcome?	How much time / money will it take?	Who's Accountable?
			Planned Start Date	Due Date			
FIN/FAC/001	Efficient & Effective Council – To ensure transparency in Public Accountability	Produce annual Statement of Accounts fully compliant with the accounting guidance and within the timescales legislated.	01/01/09	30/09/09	Unqualified Accounts and no significant ISA issues. Members receive Accounts in good time and with adequate briefing.	Internal staff resources identified in project plan	Principal Financial Accountant
FIN/MAC/002	Efficient & Effective Council – To Invest in information technology where it will improve our effectiveness	Upgrade or replace core Financial system (including e-procurement)	01/05/09	30/06/10	Project completed to time and within budget – including Business Process re-engineering for “procure to pay”, and debtors.	Resources to be identified in project plan. £150k in Capital programme	Head of Finance
FIN/IAP/003	Efficient & Effective Council – To ensure adequate control over	Complete 95% of annual internal audit plan	01/03/09	31/03/10	Completed on target	Internal staff resources	Internal Audit Manager

Target No.	Why are we doing this?	What will we do?	When will we do it?		Expected Outcome?	How much time / money will it take?	Who's Accountable?
			Planned Start Date	Due Date			
	taxpayers' money						
FIN/FAC/004	Efficient & Effective Council – To ensure the optimum investment of Council funds within Prudential guidelines	Keep the Investment Strategy under review & update as and when appropriate	01/03/09	31/03/10	Strategy fit for purpose – Council funds secure	Internal staff resources – 10 days	Head of Finance / Principal Financial Accountant
FIN/FAC/005	Efficient & Effective Council – To ensure the effective management of taxpayers' money	Take all action appropriate to recover the Council's funds that are at risk in the Heritable Bank (in administration)	Oct 2008		Maximum funds recovered at earliest possible opportunity.	Some legal costs being shared with all relevant Local Authorities – WCC share up to £10k and , officer time c. 10 days	Head of Finance
FIN/MAC/006	Efficient & Effective Council – To Actively manage the Council's physical assets in support of its corporate	Review & update the Capital Strategy & the Capital programme	April 2009	Sept 2009	Capital Strategy that is fit for purpose.	Possibly some external advice on funding options. Internal staff resources -30	Head of Finance / Principal Management Accountant

Target No.	Why are we doing this?	What will we do?	When will we do it?		Expected Outcome?	How much time / money will it take?	Who's Accountable?
			Planned Start Date	Due Date			
	priorities					days	
FIN/MAC/007	Efficient & Effective Council – To Optimise the number of strategies produced by the Council and ensure that they are fit for purpose	Review & update the Financial Strategy & the Efficiency Strategy (consider merging)	April 2009	June 2009	Strategy fit for purpose	Internal staff resources – 30 days	Head of Finance / Principal Management Accountant
FIN/HOF/008	Efficient & Effective Council – To Invest in information technology where it will improve our effectiveness	Implement EDRMS	01/11/09	31/05/10	More efficient working supporting flexible working practices	Finance & Audit internal staff resources – 30 days plus support from IM&T	Head of Finance

Target No.	Why are we doing this?	What will we do?	When will we do it?		Expected Outcome?	How much time / money will it take?	Who's Accountable?
			Planned Start Date	Due Date			
FIN/HOF/009	Efficient & Effective Council – To provide financial advice for some of the Council's projects.	Provide Finance input to the Council's Major projects – incl. Waste mgt contract, Silver Hill, RPLC, IT contract	2009	2010/11	Better informed decision making with financial implications of options clearly and correctly stated	Staff resourcing to be quantified and identified	Head of Finance
FIN/HOF/010	Efficient & Effective Council – to Secure Customer Service Excellence accreditation	Customer Service Excellence	01/08/09	01/09/2010	Continuous Service improvement. Formal award	10 days	Head of Finance/Principal Accountants/ Internal Audit Manager

B) Other areas of work (including 'business as usual')

Target No.	Why are we doing this?	What will we do?	When will we do it?		Expected Outcome?	How much time / money will it take?	Who's Accountable?
			Planned Start Date	Due Date			
FIN/ FAC/011	Efficient & Effective Council – To ensure transparency in Public Accountability	Prepare for the introduction of International Financial Reporting Standards (IFRS) with comparative Statement of Accounts for 2009/10	30/09/09	30/09/10	Unqualified Accounts and no significant ISA issues. Members receive Accounts in good time and with adequate briefing.	Internal staff resources to be identified in project plan. Estimated 3 months.	Principal Financial Accountant
FIN/ HOF/012	Efficient & Effective Council – To Invest in information technology where it will improve our effectiveness	To prepare for the change to the core Financial system – review the Chart of Accounts	01/04/09	30/09/09	Simplified Chart of Accounts – fit for purpose	Resources to be identified in project plan.	Development Accountant
FIN/ IAP/013	Efficient & Effective Council – To ensure adequate control over taxpayers' money	Submit an application for the Charter Mark Award	01/08/09	30/09/10	National accreditation for service delivery excellence	Internal staff resources	Internal Audit Manager

Target No.	Why are we doing this?	What will we do?	When will we do it?		Expected Outcome?	How much time / money will it take?	Who's Accountable?
			Planned Start Date	Due Date			
FIN/ IAP/014	Efficient & Effective Council – To ensure effective corporate governance	Take actions to ensure that the assurance framework is fully embedded in the Council's business processes.	01/04/09	31/03/10	Effective corporate governance	Internal Staff resources	Corporate Governance Group
FIN/ HOF/015	Efficient & Effective Council – To ensure adequate control over taxpayers' money	Undertake a review of the Accountancy Team	01/04/09	30/09/09	Adequate workforce plans	Estimated 5 days - including input from team and support from Organisational Development	Head of Finance
FIN/ PFA/016	Efficient & Effective Council – To Actively manage the Council's physical assets in support of its corporate priorities	Present options for the financing of the capital programme including the consideration of prudential borrowing.	01/07/09	30/09/09	Capital Expenditure decisions that are; affordable, prudent, and sustainable.	Estimated 20 days – internal resourcing plus some external consultancy advice.	Principal Management Accountant
FIN/ MAC/017	Efficient & Effective Council	Provide financial input and support for the corporate planning cycle and presentation of budget options.	June 2009	February 2010	Balanced budget for 2010/11 and for the medium term	Estimate - 4 Months	Principal Management Accountant

Target No.	Why are we doing this?	What will we do?	When will we do it?		Expected Outcome?	How much time / money will it take?	Who's Accountable?
			Planned Start Date	Due Date			
FIN/ MAC/018	Efficient & Effective Council – To Invest in information technology where it will improve our effectiveness	Develop reports to monitor and report monthly pay costs to Senior Managers, CMT & Members	April 2009	March 2010	Effective Flexible Resource Management – Total Paybill managed within budgets	Corporate Accountant 2/5 FTE per annum	Principal Management Accountant
FIN/ HOF/019	Efficient & Effective Council – To Actively manage the Council's physical assets in support of its corporate priorities	Review of funding and options appraisal for new offices	Not yet known		New offices built within budget and appropriately funded	To be identified in the project plan	Head of Finance
FIN/ HOF/020	Efficient & Effective Council	Tender Contracts – <ul style="list-style-type: none"> • South East Employers • Treasury Mgt • Banking services • Insurance 	Sept 2009 August 2009 April 2010 April 2012	Sept 2010 Feb 2010 March 2011 March 2013	Renewed contracts as appropriate to business requirements	Internal staff resources	Head of Finance
FIN/ MAC/021	Efficient & Effective Council - Identify efficiencies and ensure their delivery	To prepare efficiency targets and monitor and report progress.	June 2009	ongoing	Efficiency targets achieved and services delivered at lower unit costs or to higher quality	Corporate Accountant – 20 days per annum	Principal Management Accountant

4. Resource implications

A) Financial

2008/09 Revised			Service Activity	2009/10 Estimate			FTEs
Exp. £000	Income £000	Net £000		Exp. £000	Income £000	Net £000	
490	(32)	458	Accountancy	435	(33)	402	7.5
143		143	Internal Audit	148		148	3.0
29	(11)	18	Risk & Insurance	29	(11)	18	0.8
39		39	Treasury Management	39		39	0.5
701	(43)	658	Total	651	(44)	607	11.8

Workforce

KEY EXTERNAL DRIVERS	KEY INTERNAL DRIVERS
Government requirements (e.g. accounting standards) Professional requirements (e.g. Codes of Practice) Partnerships Transformation agenda Efficiencies/ Value for Money	Corporate initiatives (health and safety; equality and diversity; risk) Flexible working Performance indicators Succession planning Professional training
WORKFORCE IMPLICATIONS	
<p>Government Requirements Changing Accounting Guidance requiring presentation of statutory accounts to change with implications for the underlying systems and procedures to be amended – requiring particular expertise and approach</p> <p>Professional Requirements Ongoing training and Continuing Professional Development</p> <p>Partnerships Discussions with others as opportunities arise</p> <p>Corporate Initiatives Responsive support - Limited number of staff available</p> <p>Flexible working Optimising opportunities whilst ensuring delivery of support services</p> <p>Efficiencies Continued focus on and drive for efficiencies</p> <p>Sickness and absence Limited ability to cover for absence to be addressed through review of structures and limited opportunity for job rotation</p> <p>Succession planning Accountancy restructure and ongoing development to provide for this</p>	

Key Performance Indicators

Local PIs

Ref. No.	What does this show?	Who reports this?	Achieved			Target		
			2005/06	2006/07	2007/08	2008/09	2009/10	2011/12
1.	Average return on investments	Principal Financial Accountant	+0.3%	+0.1%	+0.2%	+0.1%	To exceed Bank Base rate	
Above the Sterling Inter-bank rate								
2.	Comprehensive Monthly Management Accounts issued within 10 working days after period end	Principal Mgt Accountant	new	new	75%	100%	100%	100%
3.	Chargeable internal audit time as % of total productive time	Internal Audit manager	new	new	84%	89%	86%	85%
4.	Accurate and timely presentation of annual Statement of Accounts	Principal Financial Accountant				100%	100%	100%

7. Proposals for Consultation

What research or consultation do we intend to carry out?	How will we be doing it?	When will we be doing it?	How will we use the results?
Budget consultation	Draft proposals presented to Scrutiny Panels and PSC and presentations and discussions with the Business Community, parish representatives and the LSP.	October - January	To inform and improve the process for the future
Winchester Town Forum	Winchester Town Forum will hold an open budget meeting which will provide the opportunity for consultation on the budget proposals with the Winchester Town community	November	To inform the Town Forum's recommendations on the Town Account Budget
Accountancy customer satisfaction survey	Questionnaire via CIPFA Benchmarking Club	September 2009	To inform and improve service delivery
Internal Audit customer satisfaction survey	Questionnaire sent after every audit completed	Continuous	To inform and improve service delivery
Risk & Insurance Survey	Questionnaire on intranet	Continuous	To inform and improve service delivery

8. Key Elements of Risk Management

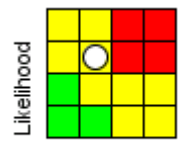
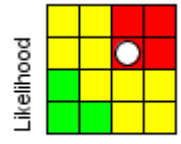
Finance Division Schedule of Risks

Generated on: 11 March 2009



Risk Number	Short name	Assessment	Risk Ownership	Cause	Consequence	Current Risk Matrix	Notes
OP0051	Non compliance with code of Corporate Governance (Risk Management)	C3 Major - Possible	Jen Anderson; Alexis Garlick; Steve Tilbury; Stephen Whetnall	Ineffective leadership Poor Business Planning and Performance Management	Officer time, Audit criticism, Poor CPA score, Damaged Council reputation, Qualified accounts, low staff morale		Annual Code of Corporate Governance approved and included in the Statement of Accounts
OP0052	Detection or allegation of fraudulent acts	C3 Major - Possible	Alexis Garlick	(1) Inadequate financial control of resources or shared (Partnership/Contractual) activity (2) Poor supervision of financial or reconciliation procedures (3) Poor staff training and Performance Management	(1) Cost of Investigation. (2) Loss of Officer time. (3) Reduced Staff and Community confidence (4) Media involvement and reputation damaged.		Managed by Internal Audit partnership manager
OP0057	Effective and solvent funding of insured risk	D4 Catastrophic - Unlikely	Alexis Garlick	Failure of contract assessment of risk carrier, Inadequate Self Insurance funding, Lack of Officer knowledge	Depleted financial resources, reduced service provision, extended delay in returning to normal working,		

Risk Number	Short name	Assessment	Risk Ownership	Cause	Consequence	Current Risk Matrix	Notes
					Replacement agency to deliver service		
OP0058	Retention of appropriate financial management skills	C3 Major - Possible	Alexis Garlick	Department under resourced. Skills shortage. Inadequate planning of resources. Complacency?	Government intervention and action. Fines imposed. Inability to deliver key functions. Qualified accounts. Damage to Council reputation		Further review of team planned in 2009
OP0062	Failure of core financial system	B3 Major - Probable	Alexis Garlick	Existing Powersolve system is old, not being developed and support is reducing	Inadequate core financial system, deteriorating performance		Plans to implement an upgrade by 2010
OP0063	Managing capacity / succession planning	C3 Major - Possible	Alexis Garlick	Corporate organisational development changes, retirement of key staff, & inadequate succession arrangements	Inability to deliver key functions		Team structure and transitional arrangements designed to improve succession arrangements and further review and refinement planned in 2009/10
OP0099	IFRS - International Financial Reporting Standards	B2 Medium - Probable	Alexis Garlick	Inability to complete accounts to conform with IFRS Insufficient capacity	Accounts not complying with IFRS		

Risk Number	Short name	Assessment	Risk Ownership	Cause	Consequence	Current Risk Matrix	Notes
OP0115	Statement of Accounts	B2 Medium - Probable	Alexis Garlick	Incorrect completion of accounts Deadline missed for publishing accounts	Unqualified accounts - public accountability and transparency	 <p>Likelihood</p> <p>Impact</p>	
OP0116	Finance capacity to support corporate projects.	B3 Major - Probable	Alexis Garlick	Insufficient capacity to support corporate projects Conflicting priorities within the finance team	Inadequate / incomplete financial appraisals for projects.	 <p>Likelihood</p> <p>Impact</p>	