

Action Plan to address the recommendations made in the Local Government Futures Financial Management Report (October 2008)

Suggested Issues to Address (further detail on proposed actions provided below)

1 People

1.1 Managers

- 1.1.1 Need for clarity over respective roles and responsibilities of finance staff and budget holders
- 1.1.2 Consideration of financial performance as part of the appraisal process and accountability of managers on process issues.
- 1.1.3 The perception that basic administrative tasks have been pushed down to managers
- 1.1.4 Assessment of training needs to enable more tailored training for budget holders including improvement of forecasting skills
- 1.1.5 Improve level of involvement of budget holders in preparing and profiling their budget.

1.2 Training and Development of Finance Staff

- 1.2.1 Training for finance staff on SAP to enable them to address more complex issues rather than current basic training
- 1.2.2 Need to improve the level of challenge given by management accountants
- 1.2.3 Need to improve business knowledge of management accountants

2. Improved communication of finance policies, procedures and guidance

- 2.1 Improvement of schemes of financial delegation at an operational level
- 2.2 Improve quality and accessibility of information on the intranet by development of tool kits and update of Accounting Manual and removal of out of date information
- 2.3 Improve Levels of compliance with e-procurement and hence prompt payments

3. Further Integration of finance and performance information

- Improved unit costing information
- Improve use of benchmarking information

4. Improve user friendliness of SAP

- The extent to which the financial system (SAP) meets users' needs, particularly in terms of documentation, user-friendliness and reporting/forecasting tools
- Gain further clarity from those responsible for SAP on future developments and planned improvements and communicate this to end-users

CIPFA FINANCIAL MANAGEMENT ACTION PLAN (SEPTEMBER 2009)

Issue identified	Recommendations	Actions proposed or underway	Already in progress prior to review	Status as at 1 September 2009	Responsible	Due
1 People						
1.1 Managers						
1.1.1 Need for clarity over respective roles and responsibilities of finance staff and budget holders	Reissue the roles and responsibilities document in a simple format, to provide improved clarity over the way in which finance, service area teams and the Portfolio Holders will work together and their accountabilities.	<ul style="list-style-type: none"> Hold a facilitated session between finance and budget holder representatives from directorates, to explore managers' concerns at a more detailed level; clarify roles and responsibilities and expectations from managers, with the intention of improving joint working in the future Survey budget holders as to what format and topics they would like and feed into design of financial management training 	No	June survey used to identify managers willing to take part. Corporate Communications approached to provide facilitators	Corporate Finance and Financial & Management Accounting Leads	Organise Meeting late June/early July 2009 Now plan to make arrangements in September for October 2009 meeting
			No	An initial survey carried out by shared services had disappointing response. Survey done by Corporate	Quality and Customer Service Manager (Shared Services)	January/February 2009

CIPFA FINANCIAL MANAGEMENT ACTION PLAN (SEPTEMBER 2009)

Issue identified	Recommendations	Actions proposed or underway	Already in progress prior to review	Status as at 1 September 2009	Responsible	Due
		<ul style="list-style-type: none"> Formally re-launch an updated and improved Roles and Responsibilities Statement and use the opportunity to publicise/remind/discuss Service Teams about their role. 	Yes	<p>Finance June 2009. Feedback considered by SFG, other communications to CCMT, BMG, by e-mail to respondees planned.</p> <p>Statement updated and published on intranet, communication planned for September 2009</p>	PFM (Financial Planning & Management)	

CIPFA FINANCIAL MANAGEMENT ACTION PLAN (SEPTEMBER 2009)

Issue identified	Recommendations	Actions proposed or underway	Already in progress prior to review	Status as at 1 September 2009	Responsible	Due
		<ul style="list-style-type: none"> Review Manager induction material to ensure that it provides clarity on roles and responsibilities 		PFM to e-mail HR statement to check this is incorporated into Induction packs.	Human Resources and Organisational Development	September 2009
	<p>Review the manner in which the scheme of delegation is operating at operational level</p> <p>Roles and responsibilities are being reviewed, and the level of delegation is tied to these roles. It is recognised that this may not be consistent across directorates,</p>	<ul style="list-style-type: none"> The need to review the schemes of delegation at operational level has already been identified. A paper considering the issues is being prepared for discussion with the Section 151 Officer Directorate lead for scheme of delegation to provide formal report back to the relevant leadership team and copy to SFG for monitoring. 	<p>Yes</p> <p>No</p>	CYP&F being followed up via restructuring queries & project.	<p>PFM (Corporate & Professional Standards) and FBP representative</p> <p>BMG to provide names</p>	Restarting autumn 2009

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	but there needs to be positive service ownership of the scheme of delegation.					
	Ensure that managers know where to look for help and support so that they are enabled to carry out their responsibilities.	<ul style="list-style-type: none"> Clarify the process for the reporting of errors and review the signposting/forms available via the Intranet. This is reflected in the finance toolkits, but these need to be higher profile. Improve positioning and visibility of financial management guidance – review the finance toolkit to ensure that it is visible and a consistent front face of the finance function for managers. 	<p>No</p> <p>Yes</p>	<p>Actions taken Complete – but will be further continual improvement</p> <p>Initial investigations inconclusive Discussed with Head of Communications, Marketing and Public Affairs and identified interim</p>	<p>SFM (Data Control & Systems Development)</p> <p>SFM(DC&SD) and PFM (Financial Planning & Management)</p>	<p>February 2009 Included in FM Day 1&2, tag on e-mail.</p> <p>Early 2009.</p>

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Issue identified	Recommendations	Actions proposed or underway	Already in progress prior to review	Status as at 1 September 2009	Responsible	Due
				solutions summer 2009		
1.1.2 Consideration of financial performance as part of the appraisal process and accountability of managers on finance issues	Review management competencies to promote the focus on financial management competencies for managers with budget responsibilities	<ul style="list-style-type: none"> The organisation is currently reviewing its management competencies and the Chief Finance Officer will highlight these issues as part of the consultation process with a view to ensuring that there is more consistency between financial management responsibilities and follow up in the appraisal process. 	Yes	From June 2009 appraisals onward this is a required objective for all managers with budgets over £100,000. Implementation will be assessed as part of HR sampling of objectives in October 2009	Chief Finance Officer	Late 2008 and ongoing. Objective should be included in 2009/10 appraisals

CIPFA FINANCIAL MANAGEMENT ACTION PLAN (SEPTEMBER 2009)

Issue identified	Recommendations	Actions proposed or underway	Already in progress prior to review	Status as at 1 September 2009	Responsible	Due
	Carry out a skills audit to identify where managers feel that further development is required, to improve their financial skills, including hands on SAP training where appropriate.	<ul style="list-style-type: none"> The FMA teams and Corporate Finance are working with Directorates (and building on information currently being reported quarterly to Directorate Leadership Teams via Balanced Scorecards) to identify the level of SAP/budget monitoring competency of managers. Similar to the approach taken in 2006 and 2007 this will be reported to CCMT as part of the monthly Financial Monitoring Report. 	Yes	Financial management skills survey generated a good response and will be used to tailor future training to budget holders' needs.	FBPs to collect data and PFM (Financial Planning & Management) to draft report to CCMT	February 2009 and onwards. Being done via SNAP survey of managers in April/May 2009.
1.1.3 The perception that basic administrative tasks have been pushed down to managers	Identifying under what circumstances expenditure is incorrectly coded to managers' cost centres	<ul style="list-style-type: none"> Active review of queries and journals to establish patterns and proactive response to findings e.g. changing forms/processes/training to reduce error rate 	Yes	Continues to be ongoing	SSC-FMA Processing and Control	Ongoing. SP is doing this on an ongoing basis.

CIPFA FINANCIAL MANAGEMENT ACTION PLAN (SEPTEMBER 2009)

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	Ask managers for their views on what 'administrative' tasks they feel they are currently undertaking in relation to finance	<ul style="list-style-type: none"> Establish a Focus Group to seek views of managers on a range of issues, including the use of SAP, communications generally and the use of finance toolkit. 	No	There was a good response to a request for Reference Group volunteers as part of the Skills Survey. We plan to initiate the group in September 2009.	SFM (DC&SD) and PFM (Financial Planning & Management)	Early 2009. Further to advice from the Communications Team we will survey managers then follow up with a financial management reference group.
1.1.4 Assessment of training needs to enable more tailored training for budget holders including improvement of forecasting skills	Develop a rolling modular financial management training programme for managers, based on the areas of weakness identified in the skills audit	<ul style="list-style-type: none"> The Principal Financial Manager (Financial Planning and Management) has begun to draft a framework for a modular training package for inclusion in the 2009 Learning & Development Plan. The intention is that this will be in place from April 2009. 	Yes	Pilots for the Understanding Your Transactions module have taken place and work to develop Hints and Tips on	SFM (DC&SD and PFM (Financial Planning & Management) and Learning & Development	April 2009 and ongoing. Pilot being booked for late May or early June. KW to assess the resource requirements and follow up as appropriate with FMA leads (early May 2009)

CIPFA FINANCIAL MANAGEMENT ACTION PLAN (SEPTEMBER 2009)

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		<ul style="list-style-type: none"> Identified as a new need in the 2009/10 Learning and Development Plan 		Forecasting continues. Need to identify resource for future provision of training. Need to look at L&D plan for 2010/11.		
1.1.5 Improve level of involvement of budget holders in preparing and profiling their budget	Identifying in which directorates/areas managers are not sufficiently involved in the preparation/forecasting of budgets and reasons for this, in order to ensure that they are fully engaged in the future	<ul style="list-style-type: none"> See 1.1.2 – assessment of managers’ SAP competencies based on Balanced Scorecard Reporting 		FBPs need to assess feedback for their Directorate from the FM Skills Survey. Manager role discussed at SFG on 27 July 2009 – agreed	Finance Business Partners and PFM (Financial Planning & Management)	Autumn 2008 onwards. Initial assessment being done via SNAP survey of managers.

CIPFA FINANCIAL MANAGEMENT ACTION PLAN (SEPTEMBER 2009)

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				principle of manager update of SAP should continue.		
	Identify what aspects of their budget managers believe to be 'incorrect' and (if appropriate), work with them to amend the base budget, in order to improve ownership	<ul style="list-style-type: none"> • Management Accounting to pro-actively work with the teams they support to ensure that issues and concerns are addressed as part of the 2009/10 budget build on SAP. • Communication to be sent to all budget holders after Council in February 2009 reminding them to check their 2009/10 base budget(s) on SAP. • Heads of Service and Service Managers to be asked via CCMT to communicate assumptions and decisions behind the budget to their budget holders in late February 	<p>No</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<p>2009/10 budget process completed.</p>	<p>Finance Business Partners</p> <p>PFM (Financial Planning and Management)</p> <p>Service Managers</p> <p>PFM (Financial</p>	<p>Autumn/ Winter 2008</p> <p>February 2009</p> <p>February 2009</p> <p>Autumn/ Winter 2008</p>

CIPFA FINANCIAL MANAGEMENT ACTION PLAN (SEPTEMBER 2009)

Issue identified	Recommendations	Actions proposed or underway	Already in progress prior to review	Status as at 1 September 2009	Responsible	Due
		<p>2009.</p> <ul style="list-style-type: none"> • Work with CCMT to improve the 2009/10 formal budget sign off process. • Review the outcomes of the 2009/10 process and follow up issues arising. 	No	<p>KL has reviewed operational process and will take back to SFG, KW to add to this and plan for 2010/11 operational budget build process.</p>	<p>Planning and Management)</p> <p>FBPs and PFM (Financial Planning and Management)</p>	June 2009

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				Status as at 1 September 2009		
1.2.2 Need to improve the level of challenge given by management accountants	Carrying out a skills audit to identify where finance staff feel that further development is required, to improve their financial skills, including SAP training	<ul style="list-style-type: none"> • Use a session to assess training needs of management accountants and evaluate best method of meeting them. Identify best practice and develop guidance with a view to agreeing a more standardised consistent approach to the support of our financial management processes. 	No	Currently being addressed by surveys of management accounting to analyse tasks undertaken and existing practice.	Head of FMA ²	March 2009 GP following up Head of FMA
				Status as at 1 September 2009		
1.2.3 Need to improve business knowledge of management accountants	Use appraisals to identify finance staff to service(s) who would benefit from experience of front line delivery/work shadow to better understand their services	<ul style="list-style-type: none"> • Develop local induction for new management accountants which includes a day shadowing a key service manager in the service they work with. 	No	Not started	Head of FMA (via FBPs)	June 2009. GP to check with Head of FMA in April 2009 to ensure that FBPs follow up as

² With support of PFM (Corporate and Professional Standards)

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		<ul style="list-style-type: none"> • FBPs to use June appraisals to identify staff who would benefit from exposure to frontline delivery /workshadow/key meetings to improve business knowledge 		E-mail sent to FBPs to remind them to do this prior to June 2009 appraisals		appropriate.
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CIPFA FINANCIAL MANAGEMENT ACTION PLAN (SEPTEMBER 2009)

Issue identified	Recommendations	Actions proposed or underway	Already in progress prior to review	Status as at 1 September 2009	Responsible	Due
2 Improved communication of finance policies, procedures and guidance						
2.1 Improvement of schemes of financial delegation at an operational level		<ul style="list-style-type: none"> • The need to review the schemes of delegation at operational level has already been identified. A paper considering the issues is being prepared for discussion with the section 151 officer • The paper will be used as a basis to further improve operation of schemes of delegation 	Yes	See above	FBPs	April 2009 and ongoing December 2009
2.2 Improve quality and accessibility of information on the	Seeking managers' views on the best way of communicating	<ul style="list-style-type: none"> • The organisation will shortly be recruiting to a post 	Yes	The post has been filled and	PFMs (Financial Planning and Management)	Feb 2009 (tbc) Complete.

CIPFA FINANCIAL MANAGEMENT ACTION PLAN (SEPTEMBER 2009)

Issue identified	Recommendations	Actions proposed or underway	Already in progress prior to review	Status as at 1 September 2009	Responsible	Due
<p>intranet by development of tool kits and update of Accounting Manual and removal of out of date information</p>	<p>financial policies in an understandable manner to them and improving the Intranet in relation to the inclusion of and priority given to financial information</p>	<p>to support the Principal Finance Manager (Corporate and Professional Standards) to update the Accounting Manual and work with Processing and Control on improving the finance toolkits. Use the Focus Group to assess planned improvements.</p> <ul style="list-style-type: none"> • Split the Intranet more clearly into Finance for Managers and Finance for Finance with one route in for managers. 	<p>Yes</p>	<p>the revision of the Accounting Manual is on schedule in tandem with required revisions to the finance tool kit.</p> <p>Project has been defined and work will commence in September 2009 (resource permitting)</p>	<p>and (Corporate & Professional Standards)</p>	<p>Plan to update Accounting Manual by February 2010.</p> <p>August 2009.</p>

CIPFA FINANCIAL MANAGEMENT ACTION PLAN (SEPTEMBER 2009)

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2.3 Improve Levels of compliance with e-procurement and hence prompt payments		<ul style="list-style-type: none"> • Monitor use of FB60 (non e-procurement route for purchasing and payment) at service level 	Yes	Ongoing July 08 52% June 09 75%	Business Managers Group	Ongoing from Autumn 2008
2.4 Promote awareness of key financial policies and procedures		<ul style="list-style-type: none"> • Circulate regular reminders via Core brief on financial polices (in similar manner to Corporate Governance briefings) 	No	Not begun	PFM (Corporate & Professional Standards)	September 2009

CIPFA FINANCIAL MANAGEMENT ACTION PLAN (SEPTEMBER 2009)

3 Further Integration of finance and performance information						
Issue identified	Recommendations	Actions proposed or underway	Already in progress prior to review	Status as at 1 September 2009	Responsible	Due
3.1 Improved Unit costing information		<ul style="list-style-type: none"> For details see Data Quality action plan produced in response to the Annual Governance Statement 2007/08. 	Yes	The Data Quality Action plan was not actioned by the due date and was replaced by an action on Data Quality in the Annual Governance Statement 2008/09.	Corporate Performance Lead	Autumn 2008 onwards A revised Data Quality Strategy and implementation plan are due to be approved in autumn 2009
		<ul style="list-style-type: none"> Work with Business Plan owners to improve the unit costing information included in Business Plans. 	Yes	Liaison officers from the performance and review team are currently working with directorates on the 2010/11 business plans to	Corporate Performance Lead	

CIPFA FINANCIAL MANAGEMENT ACTION PLAN (SEPTEMBER 2009)

		<ul style="list-style-type: none"> Ensure future unit costing information for consideration in business plans is activity based and outcome focused 		support them in developing unit costs.	Corporate Performance Lead	February 2009 Autumn 2009
3.2 Improve use of benchmarking information		<ul style="list-style-type: none"> Work with Directorate Leadship teams to ensure benchmarking is being used and is evident in their business plans by use of Benchmarking Forum 	Yes	Liasion officers from the performance and review team are working with directorates to agree cost/performance benchmarking data measures in advance of star chambers.	Corporate Performance Lead	Autumn 2008 onwards Autumn 2009 onwards
		<ul style="list-style-type: none"> Deliver training to business plan owners to help and encourage use of benchmarking within their service 	No		Corporate Performance Lead	
		<ul style="list-style-type: none"> Ensure Services are challenged to explain how they use benchmarking to drive service delivery and business improvement via Star Chambers and Benchmarking Forum. 	No	Star Chambers and challenge scheduled	Corporate Performance Lead	Autumn 2009

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4 Improved User friendliness of SAP						
Issue identified	Recommendations	Actions proposed or underway	Already in progress prior to review	Status as at 1 September 2009	Responsible	Due
<p>4.1 The extent to which the financial system (SAP) meets users' needs, particularly in terms of documentation, user-friendliness and reporting/forecasting tools</p>	<p>Seek managers' views on their key areas of difficulty in using SAP</p> <p>Develop a more user – friendly and intuitive means of accessing budget monitoring information on SAP.</p>	<ul style="list-style-type: none"> • Investigate improvements in the functionality allowing us to prompt SAP actions in line with the budget monitoring timetable. • Follow up potential use of SAP Business Objects to aid user – friendliness. • Improve accessibility of SAP guidance and training documents on the Intranet via the Finance Toolkits. • Develop easily accessible SAP user guides targeted at the 	<p>Yes</p> <p>Yes</p> <p>No</p> <p>Yes</p> <p>No</p>	<p>SAP upgrade completed in August 2009. This will enable introduction of a better user interface and new functionality</p> <p>Meeting to demonstrate Business Warehouse scheduled 24 September 2009</p>	<p>PFM (Financial Planning & Management)</p> <p>PFM (Financial Planning & Management)</p>	<p>February 2009</p> <p>Tbc</p> <p>Tbc</p>

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		<p>different levels in the Roles and Responsibilities Statement.</p> <ul style="list-style-type: none"> • Work with Service Teams to ensure that the standard SAP hierarchy is recognisable and matches the Scheme of Delegation. 			<p>PFM (Financial Planning & Management) FB Ps</p>	<p>Autumn/ Winter 2008/09</p>
<p>4.2 Gain further clarity from those responsible for SAP on future developments and planned improvements and communicate this to end-users</p>		<ul style="list-style-type: none"> • Lead officer for SAP development to brief SFG • Lead officer for SAP to brief user communities on future developments. 	<p>No</p> <p>No</p>	<p>SFG briefed</p>	<p>Head of Finance and Procurement</p> <p>Tbc</p>	<p>Tbc</p> <p>Tbc</p>

Abbreviation	Explanation
BMG	Business Manager Group
CCMT	County Council Management Team
FBP	Finance
PFM	Principal Finance Manager
SFG	Strategic Finance Group
SAP	Council's main accounting system software