

Action Plan to address the recommendations made in the Local Government Futures Financial Management Report

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accessibility of information on the intranet by development of tool kits and update of Accounting Manual and removal of out of date information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

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Issue identified	Recommendations	Actions proposed or underway	Already in progress prior to review	Status as at 31 March 2010	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>Generally positive responses from 350 managers considered by SFG, CCMT & BMG.</p> <p>Modular training sessions (2 hours long) piloted late 2009 and now live.</p> <p>Statement updated and published on intranet via news item to all staff on 21 September 2009.</p>	PFM (Financial Planning & Management)	<p>Training ongoing through 2010/11</p> <p>Complete</p>

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		<ul style="list-style-type: none"> Review Manager induction material to ensure that it provides clarity on roles and responsibilities 	No	<p>Since November 2009 the Manager Induction Event has included a section on financial management and signposts to further training and the Finance Toolkit on the Intranet.</p> <p>Feedback from these sessions has been positive.</p>	Human Resources and Organisational Development. Finance input to Induction Event by Corporate Finance.	Complete – Induction Events ongoing through 2010/11.
	Review the manner in which the scheme of delegation is operating at 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 	Yes	CYP&F being followed up via financial management aspects of Directorate	PFM (Standards & Projects) and FBP representative	Ongoing since autumn 2009

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	<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, but there needs for positive service ownership of the scheme of delegation.</p>	<p>is being prepared for discussion with the Section 151 Officer</p> <ul style="list-style-type: none"> • Directorate lead for scheme of delegation to provide formal report back to the relevant leadership team and copy to SFG for monitoring. 	<p>No</p>	<p>restructuring project.</p>	<p>David Calver leading on this for CYP&F and Michael Rolton for SCS.</p>	<p>Ongoing</p>
	<p>Ensure that managers know where to look for help and support so that they are enabled to carry out their responsibilities.</p>	<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. 	<p>No</p>	<p>Actions taken complete – but will be further continual improvement and the Financial Management Reference Group is</p>	<p>SFM (Data Control & Systems Development)</p>	<p>Complete</p>

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		<ul style="list-style-type: none"> 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. 	Yes	being consulted. Finance front pages and toolkits/forms now accessible via Support/ Finance with a four way split for Managers/ Finance Specialists/ News & Updates and an A-Z of Finance Services so much more visible. Further improvements made in response to feedback	SFM(DC&SD) and PFM (Financial Planning & Management)	Ongoing incremental improvements in response to feedback

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				from the Financial Management Reference Group.		
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	For 2009/10 appraisal a financial management objective was required for all managers with budgets over £100,000. Implementation was assessed as part of HR sampling of objectives in October 2009 and 14% of all appraisals sampled included financial	Chief Finance Officer	Where appropriate financial management objectives should be included in 2010/11 appraisals and sampled again in late 2010.

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				<p>objectives.</p> <p>A reminder to reflect financial management responsibilities in 2010/11 appraisals will be included in the next appraisal communication. This will appear on the intranet as a headline article.</p>	Corporate HR & OD	April 2010
	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 	Yes	Financial management skills survey generated a good response and has been used to tailor modular training to	PFM (Financial Planning & Management)	Completed via SNAP survey of managers in April/May 2009 and reported to CCMT, BMG and

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		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.		budget holders' needs. Summary results communicated to CCMT and BMG		back to managers via e-mail.
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 part of Processing & Control activity.
	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. The first	SFM (DC&SD) and PFM (Financial Planning & Management)	Early 2009. Further to advice from the Communications Team we surveyed managers and have

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				<p>meeting of the group took place on 1 December 2009 with a further meeting on 2 February 2010. Meetings will now continue quarterly throughout 2010/11 with follow up actions logged tracked between meetings. The next meeting in May 2010 will consider how to better involve budget holders in the</p>		<p>then followed up with a financial management reference group. This is chaired by a senior manager, and has been well received by the managers who have attended.</p>

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				2011/12 Service & Resource Planning Process.		
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) drafted a framework for a modular training package for inclusion in the 2009 Learning & Development Plan and this has subsequently been progressed by the Strategic Finance Manager (Data Control & Systems Development). • Identified as a new need in the 2009/10 Learning and Development Plan. 	Yes	Pilots for Understanding Your Transactions, Hints and Tips on Forecasting and Budget Setting took place in late 2009 and have been running live weekly through early 2010. Also additional session on year end (in addition to new guidance circulated by e-mail)	SFM (DC&SD and PFM (Financial Planning & Management) and Learning & Development	Ongoing provision of modular training planned through 2010/11.

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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 		available in March 2010. FBPs need to assess feedback for their Directorate from the FM Skills Survey. Manager role discussed at SFG on 27 July 2009 – agreed principle of manager update of SAP should continue.	Finance Business Partners and PFM (Financial Planning & Management)	Autumn 2008 onwards. Initial assessment done via SNAP survey of managers in June 2009.
	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. 	No	2009/10 budget process completed. Feedback from 2009/10 process used	Finance Business Partners	

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				<p>where there are consistent issues to be addressed.</p> <p>Financial Management Reference Group will consider how to improve communication to budget holders for 2011/12 within the broader Service & Resource Planning process</p>	<p>PFM (Financial Planning and Management)</p>	<p>September 2010</p>

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		processes.		identified. Opportunities for Financial Accounting to engage with service managers are being explored as part of an ongoing business process review.		Pilot April/May 2010
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 	No	Analysis of management accounting activity completed and being used to inform ongoing process review. Management Accounting	Head of FMA ²	Ongoing as part of business process review

² With support of PFM (Corporate and Professional Standards)

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		financial management processes.		checklist being developed to ensure clarity of role and consistency of approach.		
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. • FBPs to use June appraisals to identify staff who would benefit from exposure to frontline delivery /workshadow/key meetings to improve business knowledge 	No	Accountants are now more familiar with service areas and able to provide challenge as well as support. Individual training requirements will be identified as part of appraisal process and addressed through personal development plans and/or	Head of FMA (via FBPs)	Ongoing

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				induction programmes.		

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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	SAP hierarchies are being reviewed to facilitate reporting and control. SCS hierarchy is robust but will be kept under review and Corporate Core is complete and implemented. E&E, Shared Services and Community Safety reviews are completed and awaiting implementation and CYP&F is being undertaken as part of the Directorate restructuring project. Completion of the SAP Organisation Management project and introduction of	FBPs	December 2009 Ongoing

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				new SAP roles provides an opportunity to address control issues around schemes of delegation. Service Directorates are being consulted on posts to which roles should be allocated and governance procedures put in place to facilitate and control updates.		
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	Seeking managers' views on the best way of communicating financial policies in an understandable manner to them and improving the Intranet in relation to the inclusion of and priority given to financial information	<ul style="list-style-type: none"> The organisation will shortly be recruiting to a post to support the Principal Finance Manager (Corporate and Professional Standards) to update the Accounting Manual and 	Yes	The revision of the Accounting Manual is substantially complete and has been done in tandem with required revisions to the finance tool kit.	PFMs (Financial Planning and Management) and (Standards and projects)	Accounting Manual will now be maintained and updated as necessary.

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		work with Processing and Control on improving the finance toolkits. Use the Focus Group to assess planned improvements. • Split the Intranet more clearly into Finance for Managers and Finance for Finance with one route in for managers.	Yes	Completed subject to ongoing improvements/updates		Complete
2.3 Improve Levels of compliance with e-procurement and hence prompt payments		• Monitor use of FB60 (non e-procurement route for purchasing and payment) at service level	Yes	Ongoing but showing improvement over time: July 2008 52%, June 2009 75%, January 2010 84%	Business Managers Group	Ongoing from Autumn 2008
2.4 Promote awareness of key financial policies and procedures		• Circulate regular reminders via Core brief on	No	Not yet progressed	PFM (Standards and Projects) and PFM (Financial Management &	September 2010

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		financial polices (in similar manner to Corporate Governance briefings)			Planning)	

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3 Further Integration of finance and performance information						
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	<p>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.</p> <p>The Data Governance Policy is completed and in the process of being signed off.</p> <p>An action plan has been created which prioritises data governance gaps in</p>	Corporate Performance Lead	Autumn 2010 and ongoing

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				<p>in the lead up to the next Star Chambers in Autumn 2010.</p> <p>Liaison officers from the performance and review team worked with directorates on the 2010/11 business plans to support them in developing unit costs.</p> <p>Analysis was provided for challenge sessions with directors prior to Star Chambers around comparative unit costs.</p>		
3.2 Improve use of benchmarking information		<ul style="list-style-type: none"> • Work with Directorate Leadership teams to ensure benchmarking 	Yes	Unit costs and benchmarking are business as usual	All Corporate Performance Lead	Ongoing

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		<p>is being used and is evident in their business plans by use of Benchmarking Forum</p> <ul style="list-style-type: none"> • Deliver training to business plan owners to help and 	<p>No</p>	<p>for business plans. Insufficient consideration is challenged by liaison officers.</p> <p>Most services are involved in specific networking arrangements which are service based. Tailored support is now provided through the business plan challenge, service capacity building around best practice, and expanded training on benchmarking rather than a centralised group discussion.</p> <p>Benchmarking has been incorporated into</p>		

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		<p>encourage use of benchmarking within their service</p> <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	<p>the 'Managing Resources Effectively' training delivered by the corporate performance team. There will also be a benchmarking specific training to be piloted in May 2010.</p> <p>A series of conversations were held with services in every directorate. A few services are exemplars of good benchmarking practice. These examples are used to challenge other services which may be less engaged both through</p>		

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				training as well as service and resource guidelines.		

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developments and planned improvements and communicate this to end-users		SAP to brief user communities on future developments.	No	has not been developed.		

Abbreviation	Explanation
BMG	Business Managers Group
CCMT	County Council Management Team
FBP	Finance Business Partner
PFM	Principal Financial Manager
SFG	Strategic Finance Group
TFG	Technical Finance Group
SAP	Council's main accounting system