

Audit & Governance Committee
12 September 2018

Financial Management Action Plan

Background

- Presentation to AWG in April on 'Northamptonshire County Council Best Value Inspection and issues for Oxfordshire County Council to consider'
- Key issues in inspection report were:
 - *Poor clarity and accountability in terms of structure of the Council and working arrangements*
 - *Lack of clarity and no evidence to support a new operating model*
 - *Lack of cohesiveness in senior management team*
 - *Poor culture relating to challenge and criticism*
 - *Scrutiny by Audit Committee not effective*
 - *Scrutiny arrangements limited and issues around access to information*
 - *Lack of accountability and deliverability of savings targets*
 - *Effectiveness of financial management*
 - *No budgetary control*
 - *Unplanned and significant use of one-off resources to balance budget in-year*

Issues for Oxfordshire County Council to consider

- Effectiveness of financial management and budgetary control were the two areas where some assurance was sought on OCC's position
- A financial management action plan was proposed as a result with the actions on the next slide
- This presentation sets out the early progress against the actions

- *Undertake a self- assessment of organisational financial management using the CIPFA Financial Management Toolkit*
- *Refresh Financial Regulations to include stronger focus on compliance*
- *Develop and deliver Financial Management responsibilities refresher training*
- *Restructure and re-define the Finance Function so it better supports the changing needs of the organisation*
- *Review the overall governance framework to ensure it is working effectively and supporting the needs of the organisation*
- *Document and agree structured financial reporting to DLTs, CLT, Informal Cabinet and PGL*
- *Improve financial reporting to Cabinet & Performance Scrutiny Committee including inclusion of FFF project tracking and possible reporting of Capital Programme separately*

Undertake a self- assessment of organisational financial management using the CIPFA Financial Management Toolkit

- Questionnaire was issued in July to 376 Officers and 19 Members, of which 229 Officers and 3 Members completed – a 59% response rate. Received approximately 450 comments back
- 30 1:1 interviews held in August with a selection of officers and members who had been sent the questionnaire
- Analysis of findings currently underway with a Finance Leadership Team and project team session planned for mid September to review and commence action planning
- Report on action plan due at AWG 24th October

Refresh Financial Regulations to include stronger focus on compliance

- Sections 1-4 of the Financial Regulations have been updated as at 1 September. These include:
 - Introduction,
 - Roles and Responsibilities
 - Financial Planning
 - Financial Management
- The updated regulations overall provide greater clarity and include more detail financial planning (e.g. reserves, trading accounts) and clearer actions in respect of budgetary control including a requirement to meet with the s151 and the Cabinet Member for Finance to discuss an action plan which will be reported to Cabinet.

Develop and deliver Financial Management responsibilities refresher training

- This will be developed following the review of findings from the CIPFA Financial Management Toolkit.
- It will also need to link with the new operating model.

Restructure and re-define the Finance Function so it better supports the changing needs of the organisation

- The new operating model will be considered by Cabinet in September with a decision made on implementation in October
- Whilst it is not expected that the Finance function will be in the early stages of release, there are opportunities now to restructure to support the organisation as it begins its transition. Consultation is expected to commence end of September
- Measures of success for the Finance Function are being developed both those that are relevant to the leadership of the service and also in relation to our customers

Review the overall governance framework to ensure it is working effectively and supporting the needs of the organisation

- Governance is a key enabler of the new operating model (as discussed at A&G Committee on 5th September). If the new operating model is agreed, then this action will be picked up as part of implementation

Document and agree structured financial reporting to Directorate Leadership Teams, County Leadership Team, Informal Cabinet and PGL

Reporting period	DLTs	CLT	Cabinet
Aug 2018	Sept	Sept	Oct
Sept 2018	Oct	Oct	
Oct 2018	Nov	Nov	Dec
Nov 2018	Dec	Dec	
Dec 2018	Jan	Jan	
Jan 2019	Feb	Feb	Mar
Feb 2019	Mar	Mar	Apr
Outturn	May	May	June

Improve financial reporting to Cabinet & Performance Scrutiny Committee including inclusion of FFF project tracking and possible reporting of Capital Programme separately

- Decision made on a separate report to Cabinet on the Capital Programme. The first separate report was presented to Cabinet in July
- Financial Monitoring reports now include key indicators and improved presentation of information
- Fit for the Future project savings are currently being tracked through the Fit for the Future Board. The majority of these project savings are currently in the MTFP and the progress on these is reported to Cabinet as part of the Financial Monitoring reports

‘In Local Government there’s no substitute for doing boring really well. Only when you have a solid foundation can you innovate.’

NCC Best Value Inspection report