Shared Financial & Assurance Services

Business Plan
2018/19

August 2018

CORPORATE PRIORITIES

> **Chorley Borough Council**
>
> **An ambitious Council that does more to meet the needs of its residents and the local area**

> **South Ribble Borough Council**
>
> **Excellence and financial sustainability**

SERVICE PRIORITIES FOR 2018/19

➢ *Provide high quality, compliant and best practice financial and assurance services to both councils*

➢ *Ensure both councils remain compliant with financial and assurance regulatory requirements as well as both of the council's financial and contracts procedure rules.*

➢ *Ensure the team remains focussed, motivated and sufficiently skilled during any period of transition and beyond*

➢ *Support the financial planning process*

➢ *Undertaking a review of the current shared services arrangements and making recommendations to both council seeking to identify:*
   - *where appropriate, cost savings in service delivery*
   - *areas for improvement and change to improve the efficiency and effectiveness of the functions*
   - *changes that would ensure the services are best placed to support the expansion of shared services*

STRUCTURE CHART*

Shared Financial Services
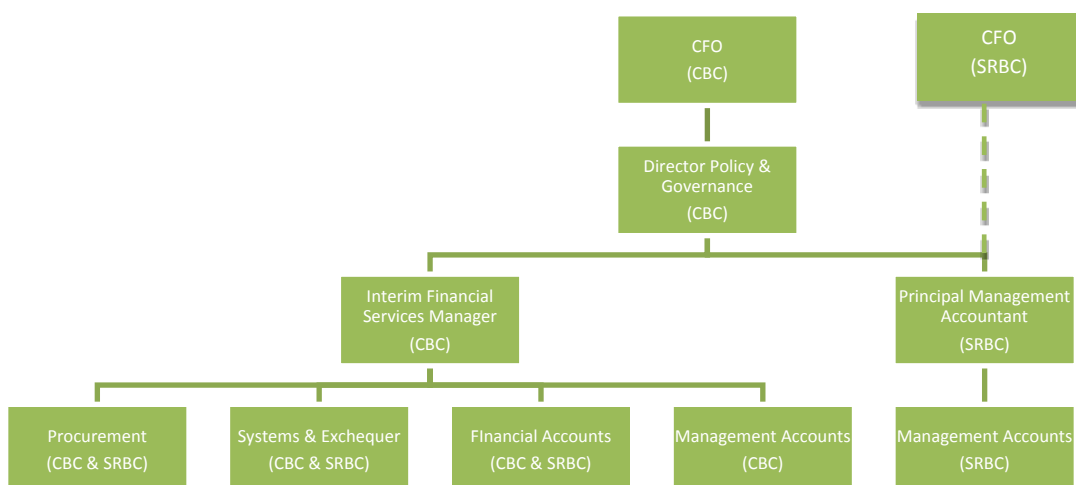
*Shared Assurance Services is currently under review

SERVICE OBJECTIVES

Shared Financial Services

The shared financial services team can be broadly split into four areas. These areas all support the other and staff resources are shared during busier periods, for example during the closure of accounts process. The management accounts teams are split into dedicated teams at CBC and SRBC however whenever possible best practise is shared between these teams.

Service Area	Main Tasks	Service Delivers	Budget FTE*
Procurement	• Provide effective support and guidance to ensure that all procurement is in accordance with EU rules, the Council's Contract Procedure Rules, Best Practice, is market aware and delivers sustained competitiveness and value for money. • Deliver an effective service which maximises efficiency for joint procurement, collaborative working and the establishment of shared services. • Maintenance and promotion of procurement guidance documentation • Training and support. • Provision and maintenance of template procurement documents. • Management and support of the Chest e-procurement portal. • Maintenance and timely publication of a quarterly Contracts Register.	Advice, Training and support Procurement strategy Procurement guidance Template Documents Quarterly updated contracts register e-procurement portal	2.00 Shared Across Both Councils
Financial Systems & Accounts Payable	• Support the maintenance, development and upgrade of the finance, debtor, creditor, cash management systems in line with statutory financial regulations. • Ensure that all payments are paid within the performance indicator timescales, adhering to the financial regulations compliance controls to prevent fraudulent payments. • Training and support for financial system users and officers involved in the 'procure to pay' process.	Improvements to financial systems Timely and accurate payment of invoices Training and support for system users Tax returns to HMRC	7.00 Shared Across Both Councils
Financial	• Lead on the closure of accounts process.	Statement of Accounts	3.00

Accounts and Treasury Services	• Reconcile expenditure and income to both council's bank statements. • Manage both councils cash flow including transfers to and from money markets, banks and the treasury.	VAT returns to HMRC	Shared Across Both Councils
Management Accounts	• Manage the budget setting process. • Support the council's transformation programme. • Support budget holders in managing their business plans and budgets.	Balanced budget Medium Term Financial Strategy Quarterly budget monitoring reports	4.00 (CBC) 5.00 (SRBC)

*Excludes CFOs, Head of Shared Service and Interim Financial Services Manager

Shared Assurance Services

Shared Assurance Services is broadly split into two teams, covering Internal Audit and Risk Management (including emergency planning, business continuity and insurance administration).

Service Area	Main Tasks	Service Delivers	Budget FTE*
Internal Audit	• Review & improve internal control arrangements • Review key business processes • Advisory & consultancy services on governance & control matters	Internal Audit Plan & reports Annual Governance Statement Action Plan	4.00 Shared Across Both Councils
Risk Management	• Review risk management strategies in relation to corporate and service planning, partnership working, project management and procurement • Oversee maintenance of emergency & business continuity plans • Arrange insurance covers and process claims	GRACE risk management system administration CONNIE business continuity system administration Insurance programme	3.00 Shared Across Both Councils

KEY ACHIEVEMENTS 2017/18

Shared Financial Services

Procurement

- 100% satisfaction received from a satisfaction survey sent to 68 customers (35 at Chorley and 33 at SRBC) with 34 respondents (19 at SRBC and 15 at CBC).
- Produced a pocket procurement guide for members at both SRBC and CBC.
- Completed a review of SRBC procurement, including a full spend analysis of above £10,000 supplier procurement spend for the 2017 calendar year. Presented a Procurement Update report to SRBC ELT (May 18) presenting the key findings of the analysis of the 2017 above £10,000 supplier procurement spend and identifying key messages, issues and recommendations moving forward. A similar exercise is currently underway at CBC.
- Assistance provided to both Councils to achieve efficiency savings through compliant procurement processes.
- Professional procurement advice and support provided at both Councils including significant and detailed level of support provided to Major Contracts e.g. the Digital Office Park project at CBC.

Financial Systems and Exchequer Services

- Successful upgrade of the Councils payment system, Civica Icon.
- Implementation of the new purchase card module.
- Introduction of a new secure file transfer process between the financial system, the Bank, and other council systems.
- Managed the cash and chip and pin transactions and controls for the Councils flower show 2017.
- Introduced more stringent accounts payable controls to accommodate the national banking system changes to sort codes and bank accounts.
- Successful upgrade of the Councils barcode payment system, Allpay.

Financial and Management Accounts

- Closure of accounts and production of both Councils' statutory statement of accounts to the required statutory deadline with no material errors.
- Completion of base budget review at both Councils achieving budgetary savings for both councils
- Produced a Fees and Charges Policy for CBC as well as a review of some of CBC's fees and charges leading to additional £50k income.
- Providing key financial support to Chorley council's transformation programme including support for major capital projects.
- Providing the financial support for the City Deal arrangements between South Ribble, Lancashire County Council and Preston City Council.

Shared Assurance Services

Internal Audit

- Retention of the ISO 9001 quality standard for Internal Audit.
- Confirmation of compliance with Public Sector Internal Auditing Standards following an independent peer review. This established no instances of non-compliance and only 3 instances of partial compliance with an overall checklist of 327 assessment areas.
- Further embedding the GRACE system enabling risk and control self-assessments by services.

Risk Management

- Revision of the Risk Management Frameworks at both councils and approval by each Governance Committee.
- Excellent Internal Audit reports for the risk management arrangements in situ at both councils.

Emergency & Business Continuity Planning

- A successful rest centre workshop event attended by key officers from both authorities.
- Update and roll-out of Flooding Response Plans.
- Implemented the new CONNIE business continuity software at Chorley supported by officer training and a simulation exercise.
- Established a rota and trained a strategic tier of officers at South Ribble to provide more resilience to their emergency response arrangements.

Insurance

- Introduced procedures to ensure compliance with new information disclosure requirements contained in the Insurance Act 2015.

SERVICE PRIORITIES 2018/19 – SHARED FINANCIAL SERVICES

The following service priorities outline what the service hopes to deliver in 2018/19 over and above 'business as usual' outcomes

Procurement

Project / task	Lead Officer(s)	Start Date	Finish Date	Actions	Outcomes and success measures
Refresh the 2015/2018 Joint Procurement Strategy	Janet Hinds	Sep 2019	Mar 2019	Updated strategy at both councils, current strategy expires 2018.	New Joint procurement strategy approved.
Implement an electronic Process for intermediate value procurement waiver requests at SRBC, similar to the process at CBC	Janet Hinds	April 2019	Mar 2019	Work with IT Services and relevant stakeholders to develop, test and implement the system, using the workflow previously developed in in consultation with Legal Services, Finance, Democratic Services and IT Services. Arrange with SRBC colleagues for promotion, awareness and training of the new system as appropriate.	E-process in place for intermediate value waiver requests.
Investigate the potential to introduce a simple user friendly contract management system and implement if appropriate	Janet Hinds	April 2019	Mar 2019	Consult and obtain ELT agreement and commitment to implement and use a simple e-system. Develop e –workflow in consultation with Legal Services. Work with Legal and IT Services and relevant stakeholders to develop, test and implement the system. Arrange with SRBC colleagues for promotion, awareness and training of the new system as appropriate.	System implemented if agreed.

Financial Accounts and Treasury Services

Project / task	Lead Officer(s)	Start Date	Finish date	Actions	Outcomes and success measures
Create a new Capital Strategy report for both councils	Michael Jackson James Thomson	Aug 2018	Feb 2019	Draft strategy presented to relevant committees with approved treasury and investment performance indicators. Final report submitted with budget setting reports.	Approved capital strategy report with updated treasury and investment performance indicators.
Ensure compliance with updated International Financial Reporting Standards (IFRS)	Michael Jackson James Thomson	Aug 2018	Dec 2018	Review all leases including leases embedded in contracts. Review all financial assets. Make necessary adjustments in statement of accounts.	A full register of all leases including embedded leases Adjustments carried out in the finance ledger. Compliant statement of accounts.
Investigate the use of Civica Bank Module for SRBC (already implemented at CBC) to provide faster and more accurate bank reconciliations	Michael Jackson James Thomson	Aug 2018	Dec 2018	Review bank reconciliation processes at SRBC. Liaise with SRBC ICT service to assess the efficiency of implementing the new module. If it provides VFM and an approach can be agreed with ICT services, implement module.	Review of bank reconciliation processes at SRBC. A new bank reconciliation module with a training programme to relevant officers. Faster and more accurate bank reconciliations.

Financial Systems & Exchequer Services

Project / task	Lead Officer(s)	Start Date	Finish date	Actions	Outcomes and success measures
Implement new procurement card module and procurement card processes	Richard Birchall	Jun 2018	Jul 2018	Complete the training with officers involved in the credit card process. Give continued support to officers using the new purchase card module.	New procurement card module. New requisition and authorisation processes. Additional credit card transactions controls.
Upgrade Civica Financials to version 18.5	Richard Birchall	Jul 2018	Aug 2018	Upgrade the test financial system. Test core functionality. Upgrade the live financial system.	Eliminating the possibility of corrupt data. Eliminating the possibility of introducing system bugs in the new version.
Implement GDPR module to Civica Financials	Richard Birchall	Aug 2018	Sep 2018	Set up and test the GDPR module in the test system. Set up the GDPR module in the live system. Execute encryption and removal tools.	Data held on system is encrypted and deleted in line with data retention policies at both councils. GDPR and DPA compliant database.
Streamline Lease Car Processes	Richard Birchall	Aug 2018	Dec 2018	Review Lease Car processes. Investigate methods of automating processes and empowering leaseholders to carry out more tasks themselves.	Improved guidance and automation and improved service satisfaction. Less time spent by the finance services carrying out lease car tasks.
National Fraud Initiative Audit	Richard Birchall	Aug 2018	Dec 2018	Carry out in depth analysis of finance database. Conduct data cleansing exercise. Support the audit process.	The Councils' financial data is matched to public and private sector bodies to prevent and detect fraud.

Support the implementation of InPhase performance management software at SRBC	Richard Birchall	Jul 2018	Sep 2018	Evaluate InPhase project management tool integration with financial systems. Support any implementation projects for an InPhase / Financial system integration.	A successful implementation of InPhase project technology that integrates with the financial system.
Investigate the possible joint procurement of the cash income management systems at both councils	Richard Birchall	Jul 2018	Dec 2018	Document the requirements of the current system at both councils. Evaluate the risks and benefits of a joint procurement approach including issues surrounding control, security and adaptability of such an approach. Make a recommendation to the relevant committees at both councils.	Recommendation to the relevant committees at both councils as to the feasibility of this approach.

Management Accounts (Chorley Borough Council)

Project / task	Lead Officer(s)	Start Date	Finish date	Actions	Outcomes and success measures
Review Establishment	Dave Bond	Jul 2018	Ongoing	Reconcile the establishments held by finance and HR. Create and agreed establishment. Monitor changes to the establishment on a monthly basis.	Monthly updated establishment.
Review Fees & Charges	Dave Bond	Jul 2018	Jan 2019	The 2018/19 review will continue from last year and where possible review all fees and charges. This work will link in with various reviews of services including community centres, licensing, Astley Hall and health and wellbeing. Review, benchmark and model the impact of potential changes to fees and charges. Approve changes with SMT and brief members for approval.	Review of all current fees and charges. Report to Exe Cabinet Jan 2019. Updated fees and charges register.
Business Rates	James Thomson	Jun 2018	Draft Budget Jan 2019 Final Budget Feb 2019	Model the impact of potential changes to business rates retention in 2020/21. Brief Senior Officers and Members outlining assumptions made. Include in draft and final budget 2019/20.	Up-to-date, accurate and agreed business rates information included in MTFS.
Review Financial Procedure Rules (FPR)	James Thomson	Aug 2018	Sep 2018	FPRs have been reviewed at SRBC and they need updating for CBC.	Report to Full Council with updated FPRs.

Management Accounts (South Ribble Borough Council)

Project / task	Lead Officer(s)	Start Date	Finish date	Actions	Outcomes and success measures
Review the format of the budget monitoring reports	Jane Blundell	Aug 2018	Sep 2018	Review with Directors and senior officers the current format of the budget monitoring corporate report. Analyse the potential benefits/dis-benefits of alternative approaches.	Approved format for budget monitoring reports going forward. Higher engagement from senior officers in the budget monitoring process.
Update chart of accounts in the finance system	Jane Blundell	Aug 2018	July 2018 On going	Update chart of accounts as a result of the management restructure. Support the organisations through change.	Updated finance and procurement system.
Support the update of the Constitution	Jane Blundell	Aug 2018	Mar 2019	FPRs and the Scheme of Delegation have been reviewed and the redrafted documents need to be finalised to take into account the new management structure and then formally agreed and implemented.	Final approved FPR and Scheme of Delegation.

SERVICE PRIORITIES 2018/19 – SHARED ASSURANCE SERVICES

The following service priorities outline what the service hopes to deliver in 2018/19 over and above 'business as usual' outcomes

Internal Audit

Project / task	Lead Officer(s)	Start Date	Finish Date	Actions	Outcomes and success measures
Finalise the peer review of Internal Audit Service by the Audit Managers of neighbouring authorities	Dawn Highton	April 2018	May 2018	• Review of policies and procedures (April 18) • Arrange stakeholder interviews (April 18) • Receive report and agree actions (May 18) • Report to Governance Committees (May 18)	Implementation of learning opportunities leading to service improvements
Review compliance with new CIPFA Guidance on Audit Committees	Dawn Highton	June 2018	July 2018	• Review current arrangements (June 18) • Produce report making recommendations for each AGS (July 18)	Implementation of learning opportunities
Arrange anti-fraud & corruption awareness training for officers	Garry Barclay	Oct 2018	Dec 2018	• Develop MILO/EMERGE packages (Oct 18) • Arrange & monitor training by officers (Nov / Dec 18)	Positive feedback in the post training questionnaires

Risk Management

Project / task	Lead Officer(s)	Start Date	Finish Date	Actions	Outcomes and success measures
Revise Risk Management Frameworks & update risk documentation on intranets	Dawn Highton	April 2018	May 2018	• Obtain Governance Committee approval of new Risk Management Framework (April 18) • Deliver Member Learning Hours • Remove obsolete documents & update CONNECT with new Framework (May 18)	Production of clear, concise and consistently applied procedures for risk management
Arrange residual roll out of the GRACE Risk Management System (SRBC)	Dawn Highton / Garry Barclay	June 2018	December 2018	• Identify risk register owners for Key Projects, Service Plans, Key Partnerships and Procurements (June 18) • Oversee GRACE population by officers (Dec 18) • Provide generic risk management training to officers as necessary (Dec 18)	A fully devolved and embedded approach to the management of risk within the Council

Insurance

Project / task	Lead Officer(s)	Start Date	Finish Date	Actions	Outcomes and success measures
E-enable insurance claims administration	Andy Armstrong	TBA	March 2019	• Agree timescales in the SRBC ICT Strategy • Place order with chosen supplier • Arrange staff training • Rollout the system	Elimination of paper processing & storage / significant time saving / improved data interrogation & reporting facilities / risk management information / improved data security via the cloud

Emergency & Business Continuity Planning

Project / task	Lead Officer(s)	Start Date	Finish Date	Actions	Outcomes and success measures
Establish the Councils' arrangements for the death of a senior national figure	Kerry Maguire	May 2018	June 2018	• Produce local procedures in compliance with national guidance (May 18) • Update the Emergency Plan / Briefing Cards & issue to relevant staff (June 18)	Production of clear and concise procedures that are understood by the relevant officers
Chair LASeR South Cluster Group & co-ordinate action plan development	Andy Armstrong	June 2018	Ongoing	• Compile a risk of areas of concern • Undertake a risk assessment of each area of concern in conjunction with the Police CTSA • Present draft action plan to the Strategic LASeR Group	Introduction of appropriate physical anti-terrorism control measures to mitigate the risks
Update Business Continuity Plans following completion of restructuring (SRBC)	Andy Armstrong	January 2019	March 2019	• Update Service Plans on CONNIE (Mar 19) • Update Building Plans (Mar 19) • Update Customer Services Plan (Mar 19) • Update ICT Disaster Recovery Plan (Mar 19)	Production of a more streamlined & user friendly process that is responsive to ongoing organisational changes

PERFORMANCE MEASURES

Shared Financial Services

Ref	Performance Measure	Target
SFS 01	% variation between the forecast outturn at month 6 and the actual outturn at month 12	Less than 5%
SFS 02	15 Working days from period end closure to the distribution of financial reports	100%
SFS 03	Year-end statutory accounts to contain no material errors and have an unqualified audit opinion	
SFS 04	Compliance with The Prudential Code	100%
SFS 05	Statutory Grant Claims and Returns to be submitted on time	100%
SFS 07	Supplier Payment within 30 days	99%
SFS 08	Supplier Payment within 10 days	83%
SFS 09	% of supplier payments by electronic means	97%
SFS 10	% of remittances to suppliers by electronic means	95%
SFS 11	% of Financial Systems availability	99.5%

Shared Assurance Services

Ref	Performance Measure	Target
SAS 01	Planned Internal Audit Time Used	90%
SAS 02	Audit Plan Completed	100%
SAS 03	Management Actions Agreed	98%
SAS 04	Average customer satisfaction score per insurance claim (max 5.0)	4.7