

Financial Services - Service Delivery Plan 2019-20

Overview of the service

Financial Services comprises; Accountancy, Treasury, Exchequer, Payroll, Internal Audit and Procurement services.

The purpose of the Service is to provide for the proper administration of the Council and its trading companies financial affairs and the effective stewardship and accountability of public money. The Service is also responsible for monitoring the overall financial health of the Council and ensuring that there is a stable financial base from which the Council's service delivery can be maximised.

The key functions and responsibilities of each sub-team within Financial Services are:

Accountancy

- Medium Term Financial Strategy (MTFS) – The purpose of this Strategy is to set a robust overall financial framework for the Council's plans over the next four years which supports the delivery of the Council's priorities within the context of an annual balanced budget. The MTFS is reviewed throughout the financial year and is revised and presented to Full Council with the budget every February.
- Annual Revenue and Capital Budgets – It is a legal requirement for the Council to set a balanced budget prior to the financial year to which it relates. The accountants liaise with all budget managers to identify whether there are any additional budget requirements for growth items and whether any savings can be identified, while analysis takes place of Government funding and Council Tax forecasts to ensure that spend and income remain in balance.
- Budget Monitoring – This is carried out on a monthly basis with budget managers throughout the year, with then quarterly reports being presented to committees showing their forecast outturn position against budget.
- Annual Financial Report – The Statement of Accounts must be produced in line with statutory requirements and International Financial Reporting Standards and is subject to External Audit opinion.
- Treasury Management – The Council's cashflow is monitored on a daily basis in order to determine the investment or borrowing requirements of the Council. These decisions must be in accordance with the approved Treasury Management Strategy and Prudential Indicators.
- Banking – This includes the correct allocation of income to services and producing monthly bank reconciliations.
- Insurance - Arranging and administering the Council's insurance requirements and liaising with the insurance provider regarding claims from the public.

Exchequer

- Administration of creditor payments, debtor billing, allocation of receipts and Council mortgages.
- Management of taxation issues which are mainly VAT and CIS.

Payroll

- Payment of salaries, Member's allowances and expenses, and election payments.

Internal Audit

- Internal Audit is an independent (statutory) appraisal function established to review and recommend improvements to the Council's internal control system. In addition to the statutory functions, Internal Audit acts as the Council's lead on fraud and corruption awareness, detection, prevention and investigation. This service also facilitates operational risk management, the Council's key contact on the National Fraud Initiative, the Council's Money Laundering Reporting and Bribery Act Compliance.

Procurement

- To ensure that the Council maximises value for money in its purchasing of goods and services, by ensuring that procedures are in place, and followed, that allow appropriate competition to take place between suppliers, thus ensuring prices paid are competitive.

Cost of service

The budgeted net cost of running the Service in 2019-20 is £409,225, this includes staffing costs, contract / service level agreements costs with LGSS for Internal Audit and Procurement and Link Asset Services for treasury advice, supplies and services (but not internal recharges).

Staffing information

These services are provided by 9.1 full time equivalents (FTE) staff as follows; Finance Manager 1.0, Accountancy - 4.0 FTE, Exchequer – 3.3 FTE, Payroll – 0.8 FTE

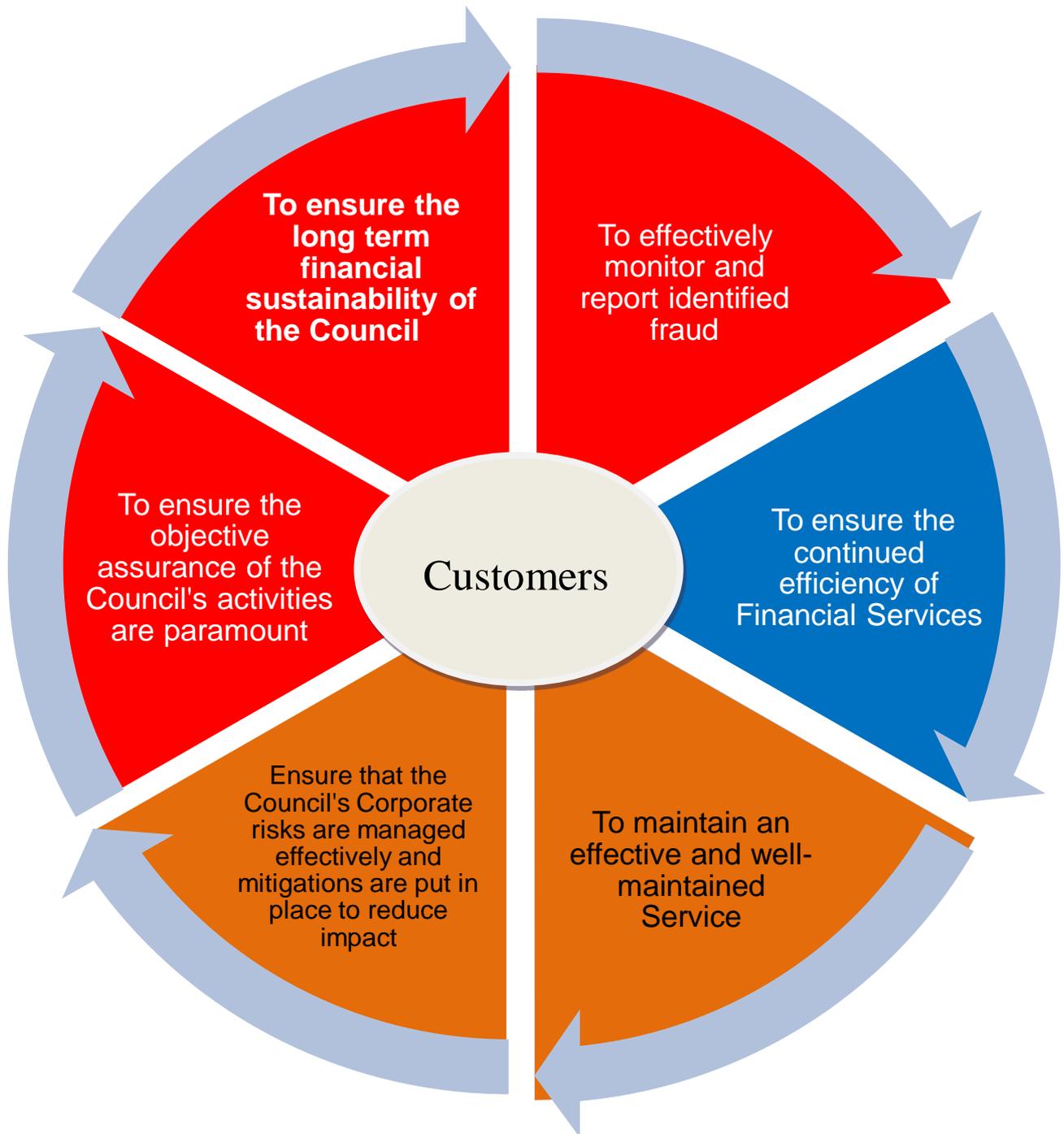
Internal Audit and Procurement Services are provided via a contract with LGSS and as such, there are no staff directly employed by East Cambridgeshire District Council.

Forward planning for Councillors

Proposed date of decision	Item	Service Area	Committee
June 2019	2018-19 Outturn Report to Committee	Budget Monitoring	Resources & Finance
June 2019	Internal Audit Annual Report & Opinion 2018-19	Internal Audit	Resources & Finance
July 2019	Quarter 1 Budget Monitoring Reports for 2019-20 to Committees	Budget Monitoring	Community, Regulatory and Resources & Finance Committees
July 2019	Approval of the 2018-19 Statement of Accounts	Annual Financial Report	Resources & Finance
July 2019	Approval of the 2018-19 Annual Governance Statement	Internal Audit	Resources & Finance
November 2019	Quarter 2 Budget Monitoring Reports for 2019-20 to Committees	Budget Monitoring	Community, Regulatory and Resources & Finance Committees
November 2019	Internal Audit Interim Report 2019-20	Internal Audit	Resources & Finance
December 2019	Annual Fraud Report	Internal Audit	Resources & Finance
January 2020	Quarter 3 Budget Monitoring Reports for 2019-20 to Committees	Budget Monitoring	Community, Regulatory and Resources & Finance Committees
January 2020	Review of draft Revenue & Capital Budgets for 2020/21 and the Medium Term Financial Strategy (MTFS)	Annual Budget	Resources & Finance
February 2020	Approve the Treasury Management Strategy for 2020/21	Annual Budget	Full Council
February 2020	Set the Council Tax level for 2020/21	Annual Budget	Full Council
February 2020	Approval of the 2020/21 Revenue Budget, Capital	Annual Budget	Full Council

	Strategy, MTFS, Reserves and Fees and Charges schedules		
March 2020	Internal Audit Charter and Annual Internal Audit Plan	Internal Audit	Resources & Finance Committee

*** Please note that the Committee names in the above table reflect those in place at the time the report was drafted, but it is recognised that these will change from May 2019, when the new committee structure is introduced.*



Commitments towards our Vision

Financial Services- Service Delivery Plan 2019-2020



Performance Measure	Link to Corporate Plan Priority	Target and reporting timescale (i.e. 6 monthly or annually)	Baseline from previous year/output from previous year	Owner and co-owners
<p>To ensure the objective assurance of the Council's activities are paramount.</p> <p>To ensure the long term financial sustainability of the Council</p>	<p>A customer driven efficient Council with a "can do" attitude and pro-business approach and commercially focused to ensure financial self-sufficiency for the tax payer</p> <p>Delivering a financially sound & well managed council</p>	<p>Ensure that the Annual Internal Audit Plan adds value to the organisation</p> <p>Meet with 100% of Service Managers to assist in the preparation of the annual Internal Audit Plan</p> <p>To deliver the agreed Internal Audit Plan by 31st March 2020</p>	100%	LGSS Internal Audit
		<p>Produce a Medium Term Financial Strategy (MTFS) with balanced budgets for two years, i.e. the budget year and the subsequent year, with a trajectory which will allow the Council to remain financial secure</p> <p>Regularly review high level corporate risks, including public sector funding and major income streams, not least for 2020-21:</p> <ul style="list-style-type: none"> the Government's spending review and fair funding review for local government East Cambs. Trading Company's financial health and potential financial transactions between it and the Council 	Completed and presented to Council in February 2019	Ian Smith - Finance Manager
		<p>Produce the detailed budget for 2020-21 to a time frame that allows the Council to set a legal budget</p> <p>To hit the Full Council meeting in February 2020</p>	Completed and presented to Council in February 2019	Ian Smith - Finance Manager
		<p>Produce quarterly budget monitoring reports to Committees, (both revenue and capital) and an Outturn report at yearend</p> <p>Quarterly reports to hit Committee deadlines</p>	Quarterly	Anne Wareham – Senior Accountant John Steel - Management Accountant
		<p>To provide continued financial support to East Cambs. Street Scene, including the production of monthly budget monitoring reports and cashflow projections for future years.</p> <p>On-going general support. Reporting to hit respective Company Board meetings.</p>	Monthly reports introduced for management purposes and presented to Board meetings as appropriate	Anne Wareham – Senior Accountant

Performance Measure	Link to Corporate Plan Priority	Target and reporting timescale (i.e. 6 monthly or annually)	Baseline from previous year/output from previous year	Owner and co-owners
To effectively monitor and report identified fraud		Work with partners to provide a co-ordinated approach to tackling fraud (in accordance with the Cambridgeshire Anti-Fraud Network priorities) As required - On-going	The Cambridgeshire Anti-Fraud Network has been established and provides the means for a co-ordinated approach to tackling fraud	LGSS Internal Audit ARP Fraud Team
		Raise awareness of fraud and corruption across the organisation Review of Counter Fraud procedures, hot line and poster campaign	LGSS Internal Audit raised awareness of fraud and corruption within 2 x staff induction sessions. Editorial presented in ECDC Connect on fraud awareness. Completion of assessment on the Council's counter fraud arrangements against the Code of Practice on Managing the Risk of Fraud and Corruption.	LGSS Internal Audit
To ensure the continued efficiency of Financial Services		Pay 99% of undisputed invoices within 30 days	96.43% (for the first 11 months of 2018-2019)	Eleanor Fretwell - Senior Accountancy Assistant
		Average time taken to collect income in relation to external invoices (this indicator does not include Council Tax and Business Rates)	Average collection time in the first eleven months of 2018-19 was 20.74 days	Eleanor Fretwell - Senior Accountancy Assistant
		Review the operation of the Payroll Service, in its second year of operation, to ensure that this is working as efficiently as possible and best advantage is being achieved from the greater use of self-service and workflow within the systems functionality	System implementation date was the 1 st April 2018 but we had more initial teething problems than would have been hoped for, which took much of 2018-19 to resolve	Lorraine Kratz – Payroll Officer
		Pay 99.5% of staff the correct amount and on time	Target 99.5%	Lorraine Kratz – Payroll Officer
		Improve the process for the production of the Statement of Accounts Prepare the draft Statement of Accounts for 2018-19 by the end of May 2019 and then support the external auditors in undertaking their review by 31 st July	The 2017-18 draft Statement was produced in line with the end of May requirement, but our external auditors were unable to sign off the final Statement until the 3 rd August (missing the deadline by 3 days)	Anne Wareham – Senior Accountant

Performance Measure	Link to Corporate Plan Priority	Target and reporting timescale (i.e. 6 monthly or annually)	Baseline from previous year/output from previous year	Owner and co-owners
		To install CivicaPay software and fully implement its use (replacing the PARIS software previously used by the Council, which is no longer considered fit for purpose) Deadline for implementation 30 th September 2019	New target	Eleanor Fretwell - Senior Accountancy Assistant
To maintain an effective and well-maintained service		Support the continued development of members of the Financial Services Team to ensure that they are given personal and professional career development opportunities To provide training to staff in line with the their personal training and development plan as detailed in their appraisal document (90% of training needs to be met)	Successfully completed – work will be on-going moving forward	Ian Smith - Finance Manager
Ensure that the Council's corporate risks are managed effectively and mitigations are put in place to reduce impact.	Delivering a financially sound & well managed council	To regularly review higher level corporate risks, including: Public Sector Funding Loss of major income streams	These risks are picked up when preparing the MTFS and budget. See section on ensuring the long term financial stability of the Council	Ian Smith - Finance Manager