

Annual Performance Review – Strategic Finance 2009-10

Outcomes	Criteria	Evidence sources (as a minimum)	Key Dates	Lead Officer	Improvement Actions															
<p>Key Performance Results</p> <p>The service outcomes for 2009-10 were as follows:</p> <p>Quality reports to stakeholders on stewardship of the council financial resources.</p>	<p>What has your service achieved in relation to your Performance Indicators?</p>	<p>The key performance indicator from the March 2010 performance scorecard are as follows:</p> <p>4 outcomes were achieved against target of 4. A total number of 38 actions are on track or completed against a total number of 42</p> <table border="1"> <thead> <tr> <th>KPI/Success Measure</th> <th>Target</th> <th>Actual</th> </tr> </thead> <tbody> <tr> <td>Preparation of unaudited accounts</td> <td>By 30 June</td> <td>30 June</td> </tr> <tr> <td>Audited accounts complete by</td> <td>30 September</td> <td>30 September</td> </tr> <tr> <td>Number of audit qualifications in accounts</td> <td>None</td> <td>None</td> </tr> <tr> <td>Preparation for International Financial Reporting Standards</td> <td colspan="2">Action plan prepared and generally on track</td> </tr> </tbody> </table> <p>Performance targets for stewardship reporting have been achieved</p>	KPI/Success Measure	Target	Actual	Preparation of unaudited accounts	By 30 June	30 June	Audited accounts complete by	30 September	30 September	Number of audit qualifications in accounts	None	None	Preparation for International Financial Reporting Standards	Action plan prepared and generally on track		<p>30 June & 30 Sept</p> <p>July, Oct, Jan and June</p> <p>July, Oct, Jan and June</p> <p>February</p> <p>February</p> <p>Monthly</p> <p>Assessment to be completed by 31 March each year.</p> <p>Assessment to be completed by 31 March each year.</p>	<p>Finance Manager – Corp Accountg</p> <p>Head of Strategic Finance</p> <p>Head of Strategic Finance</p> <p>Head of Strategic Finance</p> <p>Head of Strategic Finance</p> <p>Finance Managers</p> <p>Finance Manager – Service Dev</p> <p>Finance Manager – Service Dev</p> <p>Finance Manager – Service Dev</p>	<p>Service plan commitments and performance targets for 201-11 are as follows:</p> <p>Sound financial governance and performance through financial planning, financial reporting, financial monitoring, financial control and support for decision making.</p> <p>Accounts prepared on time and without audit qualification.</p> <p>Comprehensive financial reporting pack prepared 4 times each year - quarterly.</p> <p>Medium Term Financial Strategy reviewed and updated 4 times during the year.</p> <p>Revenue and capital budget prepared</p> <p>80% of direct expenditure has fully costed outputs and performance measures.</p> <p>Average timescale of no more than 4 working days after period end for distribution of routine reports to budget holders.</p> <p>A rating of at least good on 90% in areas of public audit forum customer and user satisfaction index based on annual assessment.</p> <p>Score Improvement of 0.5pa on average using CIPFA Financial Management Model based on annual assessment</p> <p>Compliance with 75% of areas in Public audit forum management practice indicator for finance based on annual assessment</p>
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<p>Sound planning of the Councils financial resources that aligns resources with priorities that support and enable performance</p>	<table border="1"> <thead> <tr> <th>KPI/Success Measure</th> <th>Target</th> <th>Actual</th> </tr> </thead> <tbody> <tr> <td>Revenue and capital budgets preparation</td> <td colspan="2">Revenue and capital budgets prepared in accordance with agreed timescales</td> </tr> <tr> <td>Revenue and capital budget monitoring</td> <td>Reports prepared monthly</td> <td>Reports prepared monthly</td> </tr> </tbody> </table>	KPI/Success Measure	Target	Actual	Revenue and capital budgets preparation	Revenue and capital budgets prepared in accordance with agreed timescales		Revenue and capital budget monitoring	Reports prepared monthly	Reports prepared monthly										
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improvement and efficient and effective use of resources.	Efficiency savings plan prepared and 2% efficiency savings achieved	Annual efficiency plan prepared	Annual efficiency statement confirms 2% efficiency savings achieved	Assessment to be completed by 31 March each year.		
	Implementation of BV Action Plan for Strategic Finance	Some slippage against plan but overall expected to complete all actions by March 2011				
An appropriate balance between risk and return and cost in managing the Councils cash flow, borrowing and surplus funds.	This is the key area for improvement on developing the Councils arrangements for financial management			Monitored monthly but target is for 31 March each year. Monitored monthly but target is for 31 March each year. Monitored monthly but target is for 31 March each year. Assessment to be completed by 31 March each year.	Development Services Finance Manager Development Services Finance Manager Development Services Finance Manager Development Services Finance Manager	Effective management of the risks and performance associated with the Council's cash flows, banking, money market and capital market transactions. A return that is at least equal to the 7 day money market rate. An average loans fund interest rate of 5.5%. An average rate for new borrowing of no more than 4.5%. Annual assessment against good practice carried out and score is at least 90%.
	KPI/Success Measure	Target	Actual			
	Compliance with CIPFA Treasury Management Code of Practice	The Council is nearly fully compliant with CIPFA Code				
	Submission of annual strategy, annual report and quarterly reports on treasury management to Council	Strategy agreed before 31 March 2009 Annual report submitted to Council Treasury monitoring reports submitted quarterly to Executive	Approved Council in March 2009 Annual report to Council in June 2010. Treasury monitoring reports submitted quarterly to Executive			
	Overall loans fund rate	6%	4.9%			
	New long term borrowing rate	4.5%	No new long term borrowing			

<p>A fit for purpose system of internal controls that support the delivery of the Councils objectives.</p>	<table border="1"> <tr> <td>Return for investment returns</td> <td>0.421%</td> <td>0.721%</td> </tr> <tr> <td colspan="3">The Council complied with regulatory requirements. The overall loans fund rate was below the budget . Early repayment of long terms loans and avoidance of new long term borrowing reduced exposure to counterparty risk and mitigated the reduction investment returns compared to previous years. Investment returns still exceed benchmark.</td> </tr> </table>	Return for investment returns	0.421%	0.721%	The Council complied with regulatory requirements. The overall loans fund rate was below the budget . Early repayment of long terms loans and avoidance of new long term borrowing reduced exposure to counterparty risk and mitigated the reduction investment returns compared to previous years. Investment returns still exceed benchmark.			<p>Rolling 12 month position reviewed monthly.</p> <p>Monitored monthly but target is for 31 March each year. Monitored monthly but target is for 31 March each year. Assessment to be completed by 31 March each year. Monitored monthly but target is for 31 March each year.</p>	<p>Development Services Finance Manager</p> <p>Internal Audit Manager</p> <p>Internal Audit Manager</p> <p>Internal Audit Manager</p> <p>Internal Audit Manager</p>	<p>100% of treasury management practice statements reviewed within last 12 months.</p> <p>Assurance that financial and operational controls and arrangements for Best Value are functioning efficiently and effectively and that the significant risks to the organisation are being managed.</p> <p>Completion of 100% of the audits in the agreed audit plan.</p> <p>Actual productive audit days at least 90% of planned productive audit days .</p> <p>Annual assessment against good practice carried out and score is at least 90%.</p> <p>A mean score of 3 or more in management feedback on audits.</p>															
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In broad terms Internal Audit has delivered the outcome in the service plan although some success measures fell short of target.																									

			Monitored monthly but target is for 31 March each year.	Internal Audit Manager	100 % of audit recommendations accepted by management.
Customer Results	How well has your service met the needs and expectations of customers	<p>CIPFA/KPMG - Public Sector Corporate Services VfM Indicators: Section 3 Satisfaction examines the effectiveness of the finance function by assessing the perception of its commissioners and users.</p> <ul style="list-style-type: none"> Commissioner satisfaction average score: the Commissioner Survey revealed that A&B Council scored 3.69 against the Average of 3.85. The lower quartile being 3.69 and the upper quartile being 4.04. User satisfaction average score: the user survey revealed that A&B Council scored 3.89 against an average of 3.60. The lower quartile was 3.40 and the upper quartile was 3.86. User satisfaction is in the upper quartile but commissioner satisfaction is below average and on the threshold for lower quartile. The BV Action Plan for Strategic Finance should improve both these scores in the long term. <p>Internal Audit issues a customer satisfaction questionnaire following the conclusion of each audit. The target is to achieve an average score of 3.4 out of 4. The average score for 2009-10 was 3.7 out of 4. This would suggest a high level of satisfaction with internal audit.</p>	March 2011	Finance Manager Service Dev	Completion of Strategic Finance BV Action Plan
Community Results	How sustainable is your service?	<p>Sustainability impact assessments:</p> <p>N/A</p>			
Resources					
People resources	What people resources are used by	<p>Staffing levels in Strategic Finance over the last 3 years are as follows:</p> <p>2007-08 61.50</p>	Ongoing	Head of Strategic	Review operational and staffing requirements

	your service and how they are managed and motivated?	<p>2008-09 60.57</p> <p>2009-10 68.67</p> <p>86.04% of PDR 's were completed in 2009-10. This compares to 69% for 2008. Monthly Finance Managers Meetings take place. Information from these meetings is cascaded to staff as appropriate 4.24 FTE days were lost due to sickness absence in 2009-10. This compares to 4.6 FTE days for 2008-09.</p>	March 2011	Finance Head of Strategic Finance	<p>through Strategic Finance BV Action Plan to reduce costs in light of current budgetary outlook - service review due in year 3.</p> <p>Increase completion rate for PDRs to 90%.</p>																
People results	What has your service achieved in terms of motivating, involving, developing and valuing staff?	A target of 3 CPD events is set in each Financial year. Support for staff to undertake professional training.																			
Financial resources	Did your service achieve its target budget outturn?	<p>Budget outturn</p> <table border="1"> <thead> <tr> <th></th> <th>Actual £m</th> <th>Budget £m</th> <th>Variance £m</th> </tr> </thead> <tbody> <tr> <td>2007/08</td> <td>1.090</td> <td>1.043</td> <td>0.047</td> </tr> <tr> <td>2008/09</td> <td>1.231</td> <td>1.210</td> <td>0.021</td> </tr> <tr> <td>2009/10</td> <td>1.322</td> <td>1.313</td> <td>0.009</td> </tr> </tbody> </table>		Actual £m	Budget £m	Variance £m	2007/08	1.090	1.043	0.047	2008/09	1.231	1.210	0.021	2009/10	1.322	1.313	0.009			
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Improvement																					
Leadership	How have you set the overall aims of the service, managed and implemented this through planning and	The service plan is based around meeting key professional and regulatory requirements in a way that minimises costs and supports the strategic direction of the Council. It seeks to move financial management in the Council from a focus on stewardship to supporting performance improvement and enabling change.																			

	involving stakeholders and people?																												
Service planning	How do you monitor performance against the strategic and policy context that your service operates in?	<p>Member of CIPFA VFM Indicators Benchmarking Club. VFM Indicators are produced each year, in 2008-09 (latest year available) A&B Council produced the following results:</p> <table border="1"> <thead> <tr> <th>VFM Indicator</th> <th>ABC</th> <th>Average</th> </tr> </thead> <tbody> <tr> <td>Cost of the Finance function as a percentage of organisational running costs (expenditure)</td> <td>1.4%</td> <td>1.0%</td> </tr> <tr> <td>Cost of business decision support as a proportion of the cost of the finance function</td> <td>27%</td> <td>33%</td> </tr> <tr> <td>Cost of reporting and control as a proportion of the cost of the finance function</td> <td>47%</td> <td>35%</td> </tr> <tr> <td>Cycle time in working days from period-end closure to the distribution of routine financial reports to all budget managers and overseeing boards and committees</td> <td>20 days</td> <td>11 days</td> </tr> <tr> <td>% variation between the forecast outturn and the actual outturn at month 12</td> <td>1.7%</td> <td>2.4%</td> </tr> <tr> <td>Percentage of public sector organisations spend for which there are fully costed outputs which are measured by key performance metrics and for which a named individual is accountable</td> <td>53%</td> <td>88%</td> </tr> <tr> <td>Professionally qualified finance staff as a</td> <td>28.9%</td> <td>29.6%</td> </tr> </tbody> </table>	VFM Indicator	ABC	Average	Cost of the Finance function as a percentage of organisational running costs (expenditure)	1.4%	1.0%	Cost of business decision support as a proportion of the cost of the finance function	27%	33%	Cost of reporting and control as a proportion of the cost of the finance function	47%	35%	Cycle time in working days from period-end closure to the distribution of routine financial reports to all budget managers and overseeing boards and committees	20 days	11 days	% variation between the forecast outturn and the actual outturn at month 12	1.7%	2.4%	Percentage of public sector organisations spend for which there are fully costed outputs which are measured by key performance metrics and for which a named individual is accountable	53%	88%	Professionally qualified finance staff as a	28.9%	29.6%	March 2011	Finance Manager – Service Dev	<p>Complete 2009-10 VFM benchmarking exercise and analyse results.</p> <p>Strategic Finance BV Action Plan should improve results shown here but it may take until 2010-11 before there is a real impact.</p>
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Service processes	What activities and initiatives have you taken to meet the service aims with measurable targets?	<p>Best Value Review of Strategic Finance - working through action plan</p> <p>Best Value Review of Internal Audit: underway</p>												
Partners and other resources	What relations are there between your service and partners, what other resources are used and how are they													

	managed?																			
Risk Management	<p>What major risks were identified for your service? How were they addressed? Were there any emergent risks during the period and if so how were they addressed?</p>	<p>Summary of risk register</p> <table border="1" data-bbox="465 178 1012 357"> <thead> <tr> <th></th> <th>2008-09</th> <th>2009-10</th> </tr> </thead> <tbody> <tr> <td>Red</td> <td>1</td> <td>1</td> </tr> <tr> <td>Amber</td> <td>21</td> <td>15</td> </tr> <tr> <td>Green</td> <td>4</td> <td>10</td> </tr> <tr> <td>% Exposure</td> <td>34.92%</td> <td>28.92%</td> </tr> </tbody> </table>		2008-09	2009-10	Red	1	1	Amber	21	15	Green	4	10	% Exposure	34.92%	28.92%			<p>Actions and commitments in Service Plan and BV Action Plan are aimed at managing and reducing key risks.</p>
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