

<b>REPORT TO</b>	<b>DATE OF MEETING</b>
Shared Services Joint Committee	13/06/12

Report template revised June 2008



<b>SUBJECT</b>	<b>PORTFOLIO</b>	<b>AUTHOR</b>	<b>ITEM</b>
Financial & Assurance Shared Services Annual Report 2012-13	N/A	G Barclay & S Guinness	

## SUMMARY AND LINK TO CORPORATE PRIORITIES

This report summarises the content of the attached Annual Report for the Financial and Assurance Shared Services Partnership which covers the fourth complete financial year of its operation.

The Committee has received regular performance reports during the course of 2012/13 highlighting the actions taken to deliver the planned service improvements and performance targets specified in the 2012/13 Business Improvement Plan. This report provides the final out-turn position for members' information.

The Shared Services Partnership is seen as a key project by both Chorley and South Ribble Councils and makes a direct and extensive contribution to the following strategic objectives:

“Ensuring that **Chorley** Council is a consistently, top performing organisation.”

“**South Ribble** is an efficient, effective and exceptional council.”

## RECOMMENDATIONS

That the Joint Committee note and comment on the attached report.

## DETAILS AND REASONING

The Joint Committee has previously approved the Service Level Agreement which sets out the key outputs required of the Partnership and the individual performance measures against which it will be judged. The Business Improvement Plan translated these outputs and measures into specific deliverables and targets which needed to be achieved during 2012/13.

The attached report summarises the highlights and achievements last year at Partnership level and individually by Shared Financial Services and Shared Assurance Services.

The report also contains final statements on the implementation of all the key projects and performance targets as at the end of March 2013. Members will note that we have been successful in achieving the vast majority of our planned service developments and performance targets for 2012/13.

## WIDER IMPLICATIONS

<b>FINANCIAL</b>	The attached report provides a summary of the financial out-turn for the Partnership as at the end of the 2012/13 financial year and demonstrates that the Partnership has met its financial objectives for the year.
<b>LEGAL</b>	<p>The Shared Services Joint Committee was established under Section 101 of the Local Government Act 1972 and provides the overall governance for the Shared Services Partnership.</p> <p>The terms of the Partnership are set out in an Administrative Collaborative Agreement which has been signed by both sponsoring Councils. The Collaborative Agreement in turn incorporates a Service Level Agreement which sets out the key outputs required of the Partnership and the individual performance measures against which it will be judged.</p> <p>The Business Improvement Plan for 2012/13 translated these outputs and measures into specific deliverables and targets which needed to be achieved during the last financial year and this Annual Report provides a summary of the Partnership's achievements in that regard.</p>
<b>RISK</b>	A dedicated Risk Register was established at the Partnership's inception and this has been updated to take account of the extensive progress that has now been made to mitigate the inherent risks that were faced at the outset, and to take account of any emerging risks now facing the Partnership. The updated Risk Register is set out in the Partnership Business Improvement Plan for 2013/14.
<b>OTHER (see below)</b>	

<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>
<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>

## BACKGROUND DOCUMENTS

1. Partnership Business Improvement Plan 2012/13.
2. Partnership Business Improvement Plan 2013/14.



# **FINANCIAL & ASSURANCE SHARED SERVICES PARTNERSHIP**

## **ANNUAL REPORT 2012/13**

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## HIGHLIGHTS & ACHIEVEMENTS

2012/13 represented another challenging year in which as the Partnership continued to embed combined and new ways of working whilst seeking to improve the delivery of its services.

The first half of the year was again a particularly successful period during which three separate Statements of Account were prepared for the two Councils plus the Joint Committee and each received unqualified audit opinions.

Against a background of a deteriorating financial climate nationally we have achieved significant savings during the year and have also identified further efficiency savings from 2013/14 onwards.

We are also pleased to report that the vast majority of the service development projects for the year were completed on time and the vast majority of the key performance targets were achieved.

A summary of the main service level successes in 2012/13 are as follows:-

### **Shared Assurance Services**

**Implementing a service restructure delivering further on-going financial savings whilst maintaining service levels**

**Retaining the ISO 9001 quality standard for Internal Audit**

**Receiving Excellent customer feedback from St. Catherine's Hospice & extension of the Internal Audit contract into 2013/14**

**Successfully invoking the Emergency Plans at both host authorities in response to a range of significant events**

**Leading and participating in several multi-agency emergency simulation exercises including one relating to nuclear radiation (Heron 5)**

**Supporting the Annual Governance Statement reviews for SRBC, CBC and the Joint Committee**

**Arranging a range of risk management training events for officers of both host councils in conjunction with our shared insurance provider Zurich Municipal**

## Shared Financial Services

**Closure of Accounts and production of both Councils' statutory Statement of Accounts to the tight required statutory deadlines and with no errors. An achievement recognised in the external auditor's reports.**

**Driving the initiative to support small and medium sized businesses by paying our invoices quickly. During 2012/13 to date over 98% of our invoices are paid within 30 days and over 82% are paid within 10 days.**

**Continued progress made with developing the new Financial Management Information System and Systems Development Plan. *An addendum to this report will be circulated to Joint Committee that summarises the work completed and planned and how this has improve our business processes.***

**Efficiency savings achieved for both Councils through procurement activity.**

**Providing expert procurement advice and support to major procurement exercises and significant corporate projects achieving a customer satisfaction rate of 97%. *An additional addendum to this report will be circulated to Joint Committee summarising the work completed and what has been achieved throughout the year.***

**Additional joint working between Councils on key financial projects, for example, joint banking tender exercise with the resulting implementation project going live ahead of schedule.**

**Continued support of each Councils' management teams, directors and budget holders to achieve transformation programmes and budgetary efficiencies.**

**Continued programme of cost reduction within the service and also delivering high standards of service as listed above.**

## KEY SERVICE DEVELOPMENTS

There were 28 key projects included in the BIP which represent service developments for 2012/13. Using a traffic light system, the outturn is summarised in the table below:

Detail	Partnership Level	Assurance Services	Financial Services
Green Projects	3	14	9
Amber Projects	0	0	2
Red Projects	0	0	0
Total	3	14	11

Full details on the status of each project are shown at Appendix 1. The following paragraphs provide short commentaries on the red and amber projects with accompanying explanations.

### ASSURANCE SERVICES PROJECTS

There are no red or amber projects for Shared Assurance Services. All have been completed, are no longer required or have been overtaken by events.

### FINANCIAL SERVICES PROJECTS

#### *Red Projects*

There are no red projects for Shared Financial Services.

#### *Amber Projects*

Development of the current level/programme of financial training packages for Members and Budget Holders to include use of systems, process improvement and financial management techniques.

Review of the Management Accountancy processes post FMIS implementation with a view to establishing a common basis for methodology, calculation and budget holder and corporate reporting.

## KEY PERFORMANCE INDICATORS (KPIs)

The BIP contained 31 performance indicators which are all local indicators and draw on the work of the National Audit Office (Value for Money in Public Sector Corporate Services 2007).

Again using a traffic light system, the year-end out-turn position is shown in the table below.

Detail	Assurance Services	Financial Services
Green on target	6	12
Amber – within or = to 5% of target	3	1
Red – more than 5% off target	4	2
Not measured (*)	1	2
<b>Total</b>	<b>14</b>	<b>17</b>

Full details on each performance indicator are shown at Appendix 2 and a summary of the red and amber targets is shown below:-

### ASSURANCE SERVICES

Measure	Plan	Target 12/13	Actual 12/13	Status
<b>Planned Time Utilised</b>	<b>CBC</b>	<b>90%</b>	<b>84%</b>	<b>RED</b>
	<b>SRBC</b>	<b>90%</b>	<b>82%</b>	<b>RED</b>
	<b>SS</b>	<b>90%</b>	<b>81%</b>	<b>RED</b>
<b>Audit Plan Completed</b>	<b>CBC</b>	<b>100%</b>	<b>82%</b>	<b>RED</b>
	<b>SRBC</b>	<b>100%</b>	<b>87%</b>	<b>AMBER</b>
<b>Management Actions Agreed</b>	<b>SRBC</b>	<b>98%</b>	<b>96%</b>	<b>AMBER</b>
<b>Customer Satisfaction Rating – Audits</b>	<b>CBC</b>	<b>90%</b>	<b>88%</b>	<b>AMBER</b>

### Red KPIs

#### Planned Time Utilised

A target of 750 (90%) productive auditor days was set across all 3 audit plans in 2012/13 and that actually delivered was 690 (82%). This is due to the in-year departure of 2 senior audit personnel and the subsequent restructuring of the service.

The next indicator provides an explanation as to how this shortfall in resource impacted on planned audit work.



## Audit Plan Completed

60 audit assignments were scheduled across all 3 audit plans in 2012/13 of which 54 (90%) were completed. For various reasons, the remaining 6 were either no longer required or needed to be rescheduled for 2013/14, as follows:

CBC - Impact of Localism (not required)  
CBC - Choice Based Lettings (not required)  
CBC - Financial Regulations (rescheduled)  
CBC - Data Quality (rescheduled)  
SRBC - Catering Services (not required)  
SRBC - My Neighbourhoods (not required)

This enabled us to absorb the shortfall in auditor days in 2012/13. Members are advised however that there was a surplus on the 2012/13 budget and those funds could have been re-directed to procure additional auditor days from LCC had it been necessary to undertake any of the above audits during the year.

Members are also advised that the service restructure will have a neutral impact on the productive auditor days which will remain at 750 across all 3 audit plans in 2013/14.

## Amber KPIs

### Management Actions Agreed (SRBC)

Only marginally below target and there are no issues arising.

### Customer Satisfaction Rating – Audits (CBC)

Only marginally below target and there are no issues arising.

## FINANCIAL SERVICES

Measure	Target 12/13	Actual 12/13	Status
<b>(Over)/Underspend within 1% of manageable/cash revenue budget</b>	<b>&lt; +/- 1.0%</b>	<b>4.8%</b>	<b>RED</b>
<b>Achievement of Prudential Indicators</b>	<b>100%</b>	<b>89%</b>	<b>RED</b>
<b>Statutory Grant Claims and Returns to be submitted on time</b>	<b>100%</b>	<b>97.4%</b>	<b>AMBER</b>

The overall KPI performance for Shared Financial Services has improved from last year's Annual Return out-turn which reported that the service finished the year with 5 red KPIs and 4 amber KPIs. The KPIs within the Green category has increased from 42% in 2011/12 to 70% in 2012/13.

### **Red KPIs**

**(Over)/Underspends within 1% of manageable/cash revenue budget** – Both Councils' have achieved underspends against their original and revised estimates for 2012/13. This is mainly attributable to underspends against employee budgets which is the highest area of spend. Both Councils' are reducing net expenditure to address funding gaps as reported in their Medium Term Financial Strategies. Forecasted budget deficits have been brought about by significant reductions in public financing as a result of the Comprehensive Spending Review (CSR) in 2010. This trend is set to continue into the next CSR period coupled with increased local financial risk with regard to core funding streams due to new funding regimes as documented in the Councils' budget reports.

**Achievement of Prudential Indicators** – Two Prudential Indicators were not complied with at Chorley during the year. It should be noted that these two breaches were temporary in nature and were also planned. The indicators were breached as the limits pre-determined by Shared Financial Services as part of the Treasury Strategy turned out not to sufficient during the year. It is also important to note that there have been no negative financial consequences as a result of this action. The details of these instances have been reported within the Council in the appropriately manner and therefore the actions of the service still complies fully with the Chartered Institute for Public Finance's (CIPFA's) Prudential Code. On reflection, however, it has highlighted that this Key Performance Indicator (within the partnership's Business Improvement Plan) is not a relevant or accurate measure of the service's performance. A more appropriate KPI for Joint Committee to consider would be **Compliance with the Prudential Code for Capital Finance in Local Authorities**, the target to be set at 100% compliance. Therefore it will be recommended to Joint Committee as part of the 1<sup>st</sup> quarter's 2013/14 Performance Report that this amendment is made to the Shared Financial Service's KPIs.

### **Amber KPIs**

**Statutory Grant Claims and Returns to be submitted on time** – Two returns were not submitted on time during the 2011/12 closure of accounts process in the first quarter of the 2012/13 financial year. This was due to work priorities being assigned to completing the Statement of Accounts. No other claims or returns were late after this period. During the same period in 2013/14 no claims or returns have been submitted late as the process timetable was reviewed to ensure appropriate resources were available to meet all commitments.

## FINANCIAL OUT-TURN

At each Joint Committee meeting during 2012/13 up-to-date budget performance statements have been reported showing actual performance against the approved original 2012/13 budget. The following statement sets out the final out-turn position as at 31<sup>st</sup> March 2013:

<b>Cost Category</b>	<b>Annual Budget £000</b>	<b>Out-turn as at 31<sup>st</sup> March 2013 £000</b>	<b>Under/(Over) Spend £000</b>
Salary Costs	1.363	1.299	<b>0.064</b>
Other Staff Costs	0.037	0.036	<b>0.001</b>
Lancashire CC Audit Budget	0.022	0.011	<b>0.011</b>
Transport	0.014	0.011	<b>0.003</b>
Supplies and Services	0.105	0.101	<b>0.004</b>
Income	(0.009)	(0.009)	-
<b>TOTAL</b>	<b>1.532</b>	<b>1.449</b>	<b>0.083</b>

### Budget Variations

The January 2013 performance report for the partnership estimated a projected out-turn position of £1.477m. This has been updated for the actual performance to the end of the year which has resulted in a reduction in costs of £0.028m. This achieves an actual year end out-turn of £1.449. Compared to the revised estimate of £1.532m this means the partnership has underspent its total annual budget in 2012/13 by £0.083m.

This underspend has occurred against salary costs as a result of a part year vacancy in Shared Assurance Services and part-time working and staff training in Shared Financial Services. In addition virtually no additional hours outside the Councils' flexi schemes has been incurred during the year as work has been completed in accordance with the planned timetables, for example, final accounts, budget setting and major projects such as Banking Services.

In addition the Shared Financial Services carry over provision to fund the hand-over of duties during the restructure has remained unspent. It was noted in January's report that the estimated out-turn contained assumptions with regard to the cost of implementing the new staffing restructure and that the position may change before the year ended.

The underspend against the LCC Audit budget has occurred due to some audit work being carried forward to the new financial year.

## APPENDIX 1 – KEY SERVICE DEVELOPMENTS 2012/13

### ARTNERSHIP LEVEL

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
Achieve the budget savings target set for the partnership	SG	Ongoing	Ongoing	<ul style="list-style-type: none"> <li>• Undertake detailed review of the budget for SFS and SAS and resources requirement.</li> <li>• Identify different ways of working to achieve greater efficiency in delivering the service</li> <li>• Amend the staffing structure if required following the Councils' relevant policies</li> <li>• Consult with stakeholders</li> <li>• Link project to development of managers and staff and plan for succession below</li> </ul>	GREEN	Completed
Seek out viable opportunities to grow the Partnership	SG/GB	Ongoing	Ongoing	To be arranged	GREEN	On-going
Further develop managers and staff and plan for succession	SG/GB	Ongoing	Ongoing	Implementation of the new staffing structure in SFS	GREEN	On-Going

## SHARED ASSURANCE SERVICES

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
<b>Assurance Services as a Whole</b>						
Assist with new member inductions at CBC following the May elections	GB	April 2012	June 2012	June 2012	GREEN	Completed
Arrange training for new Governance & Audit Committee members following the May elections	GB	April 2012	June 2012	June 2012	GREEN	Completed
<b>Internal Audit</b>						
Update the Quality System & retain the ISO 9001 standard	CW	Ongoing	Feb 2013	Regular review of IA processes & updates to the Quality System as necessary.	GREEN	Completed
Further develop the use of IDEA to encompass more applications	CW	April 2011	Ongoing	Add to repertoire of reports run for key financial & business systems	GREEN	On-Going
<b>Risk Management</b>						
Update the Risk Management Frameworks at both Councils	AA	Apr 2012	Mar 2013	Review the RM Policy and Framework documents Update documentation on intranets	GREEN	Completed albeit SRBC's awaiting member champion sign-off following portfolio clarification

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
<b>Emergency &amp; Business Continuity Planning</b>						
Implement the findings of the Internal Audit reviews of EP & BCP at both Councils	AA	Jan 2012	Sep 2012	<p>Introduce mandatory EP content improvements</p> <p>Establish compliant training &amp; testing strategies</p> <p>Finalise SRBC BCP documentation &amp; undertake staff awareness</p>	GREEN	Completed
Oversee the host Councils' elements of the "Riots and Disturbances" action plans	AA	Jan 2013	Mar 2013	Not applicable	GREEN	Completed - considered by the Community Safety Partnership. The Police are updating their documentation which all Districts will work to generally.
Complete a training needs assessment and programme for EP responders at both Councils	AA	Jan 2013	Mar 2013	Establish a compliant training strategy for all EP stake holders (audit requirement)	GREEN	Completed. Rolling programme now incorporated into the EP documentation.
Deliver a Flood Response Plan training and awareness session for SRBC and CBC staff	AA	Oct 2012	Feb 2013	<p>Update the Multi-Agency Flood Plans (Part 2)</p> <p>Arrange &amp; deliver a training session for relevant staff</p>	GREEN	Overtaken by events. Several incidents during the year followed up by internal de-briefing by relevant officers. Detailed action plan produced and to be followed up by SMT in December.
Undertake a combined Chorley Flood Action Plan & Croston Community Flood Plan exercise	AA	TBA	TBA	TBA	GREEN	The Environment Agency is still working with Croston Parish Council to develop their Community Flood Plan. Once it is finalised we will seek to incorporate it in a future flood simulation exercise.

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
Deliver an "Operation Merlin" joint training session for relevant staff at both Councils in conjunction with the Environment Agency	AA	Apr 2012	Jul 2012	Develop the exercise order, briefing material and presentation Arrange the event and deliver the training session	GREEN	Completed
Undertake an EP/BCP out of hours contact exercise at both Councils	AA	Jun 2012	Mar 2013	Telephone all contacts named in the Emergency Plans out of hours Complete a post exercise debrief and report findings to SMT/Strategy Group	GREEN	Completed April
On behalf of SRBC, assist in the Multi Agency Exercise "Heron 5" Springfields nuclear incident in conjunction with LCC and other local District Councils	AA	Jan 2012	Dec 2012	Attend planning meetings & develop SRBC related scenario issues Participate in the Exercise	GREEN	Completed
Develop a programme to promote BCM to local businesses in both host Boroughs	AA	TBA	TBA	Review of Web site content & undertake publicity campaign to raise awareness Facilitate an awareness seminar in conjunction with other agencies	GREEN	No longer required at District level. To be undertaken at County level by a Local Resilience Forum (LRF) sub-group. Both host councils to feed into the process.

## SHARED FINANCIAL SERVICES

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
<b>Financial Services As A Whole</b>						
Development of the current level/programme of financial training packages for Members and Budget Holders to include use of systems, process improvement and financial management techniques. This is to be undertaken to support the service's problem solving project on process and system compliance.	HOS	April 2012	September 2012	<ul style="list-style-type: none"> <li>Identify priority issues for customers and shared services</li> <li>Consult customers</li> <li>Produce packages</li> <li>Deliver training</li> <li>Develop self-service continual training via intranets</li> </ul>	AMBER	This project has been paused as priority is being assigned to the restructuring arrangements and budget preparation processes. In addition the large scale changes to public sector financing arrangements review are in the process of being implemented. These changes will be incorporated into the project which has been rolled over and continued into the partnership's Business Improvement Plan for 2013/14.
Compliance and problem solving Project – Improve compliance with financial procedures and systems using a Problem Solving Approach	HOS	April 2012	September 2012	<ul style="list-style-type: none"> <li>Identify areas for improvement where non-compliance reduces the quality of data and the efficiency of financial tasks and functions</li> <li>Where possible measure impact of non-compliance on efficiency and identify measure of improved productivity</li> <li>Establish solutions and agree with CFOs, senior management teams and budget holders</li> <li>Communicate and provide training where necessary such solutions and any required revisions to procedures to all users.</li> </ul>	GREEN	<p>Completed. Proactive interventions continue as part of our business as usual duties to maintain performance and to also address new issues if/when they arise due to new and unfamiliar systems being introduced or staff turnover with regard to system and process users. This has been a successful project and has resulted in improvement in performance e.g. Payment of Invoices KPIs.</p> <p>As a result this project's principals will be incorporated into business as usual going forward.</p>



Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
Data use and storage policy for SFS to improve current practice and secure financial data within both Councils. This project will also include gearing up financial files for the implementation of sharepoint at CBC	HOS	April 2012	July 2012	<ul style="list-style-type: none"> <li>Establish requirements of data access and storage in the light of new ICT development</li> <li>Produce data storage policy that enables SFS to adhere to both Councils' data storage policies</li> <li>Ensure the security and integrity of key financial files (electronic and paper) to ensure that information cannot be corrupted or removed inappropriately</li> </ul>	GREEN	<p>Sharepoint implementation is still progressing and therefore this project will be re-scheduled and undertaken later in the year and also carried forward into 2013/14.</p> <p>2013/14 update – the specific customer requirements for SFS working papers are currently being developed and progressed by ICT.</p>
<b>Management and Financial Accountancy Services (incorporating FMIS Development function)</b>						
Review of the Management Accountancy processes post FMIS implementation (including specifically the Internal Recharges and commitment accounting regimes for both Councils) with a view to establishing a common basis for methodology, calculation and budget holder and corporate reporting	PMA's	July 2012	September 2012	<ul style="list-style-type: none"> <li>Consult with CFO</li> <li>Re-evaluate current process with statutory requirements</li> <li>Construct proposed process and new systems</li> <li>Co-ordinate with FMIS development plan project</li> <li>Consult with stakeholders: Members (portfolio holder), senior management teams and budget holders</li> <li>Produce procedures notes and protocols</li> <li>Determine and deliver communications/briefings/training as appropriate</li> </ul>	AMBER	<p>This project has been paused to be rolled over and continued into 2013/14. Priority has been focussed on budget preparation, dealing with a late settlement announcement and the fundamental changes to public sector core funding regimes. The new resource allocation model within Management will assist in the finalisation of the project next year.</p>

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
Successful implementation of the FMIS Development Plan	FSM	April 2012	March 2013	<ul style="list-style-type: none"> <li>Identify the timescales, resources and priorities within the plan</li> <li>Approval of the plan by the Councils' CFOs</li> <li>Link and co-ordinate projects with management Accountancy processes project</li> <li>Consult with users and Council's ICT sections</li> <li>Use the Council's project management methodology</li> <li>Successfully implement the developments within the financial systems development plan</li> <li>Establish productivity gain measure where possible for each system improvement</li> <li>Ensure all financial data complies with the Councils' Data Quality policies</li> </ul>	GREEN	<p>Good progress continued to be made on the projects within this plan throughout the year. The plans main objective is to maintain and enhance the new FMIS to make the best use of new developments in technology and maximise efficiency and improvement workflow and automated processes.</p> <p>A separate addendum will be circulated before the Joint Committee meeting for further details of the achievements made and how these have impacted on performance and efficiency.</p>
Prepare for the cessation of the mortgage administrators contract and the administration of remaining Council mortgages in-house	PFA	July 2012	December 2012	<ul style="list-style-type: none"> <li>Construct project documentation</li> <li>Cost/benefit analysis</li> <li>Communications strategy</li> <li>Test new system</li> <li>Introduce new policy and procedure notes</li> <li>Secure appropriate approval from CFOs and internal audit</li> <li>Notify Mortgagees of new arrangements</li> <li>Provide Staff Training</li> </ul>	GREEN	Complete.

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
Completion of the Bank tender exercise for both CBC and SRBC (includes participation of SFS Procurement function)	PFA	April 2012	March 2013	<ul style="list-style-type: none"> <li>Agree strategy for Tender preparation</li> <li>Collect data</li> <li>Assess implications for both Councils</li> </ul>	GREEN	Successful tendering process which resulted in budget savings for both Councils. The same bank won both tenders and therefore provides banking services to both councils. Further streamlining of processes is now underway with a view to increasing business process efficiency. The implementation project transferring banking services for both Councils to the new bank went live ahead of schedule in March 2013.
Review of Treasury Consultants and advisors Contract	PFA	July 2012	September 2012	<ul style="list-style-type: none"> <li>Review current arrangement and assess appropriateness</li> <li>Document alternative arrangements</li> <li>Determine the best course of action to CFO on the service provision options to extend contract arrangements or undertake a re-tender exercise for the service</li> </ul>	GREEN	COMPLETE – contract with Sector has been extended for 12 months, this arrangement will be reviewed again next year.
<b>Procurement Services</b>						
Develop the use of Spend Pro data to enhance management information	PPO	April 2012	June 2012	<ul style="list-style-type: none"> <li>Review processes for the recording of data via spend pro</li> <li>Assess its contribution to improving management information on performance</li> <li>Set up processes that produce relevant &amp; timely management data including Key Performance Indicators</li> </ul>	GREEN	Spend Pro has proved to be useful in gathering data about other organisations spending, however, the use of Spend pro as an internal reporting tool is limited due to the amendments made by Spend pro to categories of spend meaning that it no longer reconciles with our own general ledger (GL). GL has been developed in order to extract equivalent Spend pro analysis reports.

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
Participate in the Bank tender exercise for both CBC and SRBC (includes participation of SFS Procurement function)	PPO	April 2012	March 2013	<ul style="list-style-type: none"> <li>• Agree strategy for Tender preparation</li> <li>• Collect data&amp; assess implications for both Councils</li> </ul>	GREEN	Completed.
Participation in the Problem Solving and compliance BIP project for procurement procedures – see above relevant project details	PPO	April 2012	September 2012	<ul style="list-style-type: none"> <li>• Identify areas for improvement where non-compliance reduces the quality of data and the efficiency of financial tasks and functions</li> <li>• Where possible measure impact of non-compliance on efficiency and identify measure of improved productivity</li> <li>• Establish solutions and agree with CFOs, senior management teams and budget holders</li> <li>• Communicate and provide training where necessary such solutions and any required revisions to procedures to all users.</li> </ul>	GREEN	Completed. Proactive interventions continue as part of our business as usual duties to maintain performance and to also address new issues if/when they arise due to new and unfamiliar systems being introduced or staff turnover with regard to system and process users.

## APPENDIX 2 – PERFORMANCE TARGETS 2012/13

### SHARED ASSURANCE SERVICES

Key Measures	Lead Officer	CBC/ SRBC/ SS	Actual 2011/12	Target 2012/13	Target to date 2012/13	Actual to date 2012/13	Status	Comments
<b>Assurance Overall</b>								
Assurance Staff Satisfaction	GB	N/A	N/A	N/A	N/A	N/A	NM	Bi-annual Indicator due 2013/14
<b>Internal Audit</b>								
% Planned Time Utilised	DH	CBC	98%	90%	90%	84%	RED	See body of the report
		SRBC	76%	90%	90%	82%	RERD	See body of the report
		SS	111%	90%	90%	81%	RED	See body of the report
% Audit Plan Completed	DH	CBC	87%	100%	100%	82%	RED	See body of the report
		SRBC	100%	100%	100%	87%	AMBER	See body of the report
		SS	92%	100%	100%	100%	GREEN	Target achieved
% Management Actions Agreed	DH	CBC	99%	98%	98%	98%	GREEN	Target achieved
		SRBC	100%	98%	98%	96%	AMBER	Slightly under target

Key Measures	Lead Officer	CBC/ SRBC/ SS	Actual 2011/12	Target 2012/13	Target to date 2012/13	Actual to date 2012/13	Status	Comments
		SS	100%	98%	98%	100%	GREEN	Target exceeded
% Customer Satisfaction Rating – audit level	DH	CBC	93%	90%	90%	88%	AMBER	Slightly under target
		SRBC	96%	90%	90%	96%	GREEN	Target exceeded
		SS	90%	90%	90%	100%	GREEN	Target exceeded
<b>Risk Management</b>								
Average Customer Satisfaction Score per Insurance Claim (max 5.0)	AA	N/A	4.7	4.7	4.7	4.8	GREEN	Target exceeded

## SHARED FINANCIAL SERVICES

Key Measures	Lead Officer	Actual 2011/12	Target 2012/13	Target to date 2012/13	Actual to date 2012/13	Status	Comments
<b>Finance As A Whole</b>							
Customer Satisfaction	SG	-	90%	90%	Not yet measured	n/a	Bi-annual Indicator due 2013/14
Financial Services Staff Satisfaction	SG	91%	95%	95%	Results not available	n/a	The staff survey results are not ready for release from the survey company as at the deadline date for this report. An update will be provided at Joint Committee if the results have been received at that time.
% of professionally qualified finance staff as % of total finance staff (vfm Secondary 1)	SG	26%	18%	18%	28%	GREEN	Target exceeded
<b>Accountancy</b>							
(Over)/Underspends within 1% of manageable/cash revenue budget	SG	3.15%	< +/- 1.0%	< +/-1.0%	4.8%	RED	Net expenditure for both Councils has reduced mainly within employee cost types. Other non-employee budget efficiencies have also been realised as part of the councils' budget efficiency strategies in place to address forecasted budget deficit positions. These are set out in more detail in the councils' Medium Term Financial Strategy. Budget shortfalls are forecasted due to significant reductions in core funding as a result of the CSR 2010. Budget reduction regimes are being implemented to achieve sustainable net cost reduction programmes to balance the Councils' budgets on a permanent, recurring basis.

Key Measures	Lead Officer	Actual 2011/12	Target 2012/13	Target to date 2012/13	Actual to date 2012/13	Status	Comments
% variation between the forecast outturn at month 6 and the actual outturn at month 12 (VFM Primary 3)	SG	3.83%	< +/- 5.0%	< +/- 5.0%	4.6%	GREEN	Within Target
15 working days from period-end closure to the distribution of financial reports (VFM Primary 2)	MJ/JB	95%	100%	100%	100%	GREEN	On target
Achievement of Prudential Indicators	GW	100% compliance	100% compliance	100% compliance	89% compliance	RED	Minor planned breaches as reported in the Treasury Out-turn Report.
Year- end statutory accounts to contain no material errors and have an unqualified audit opinion	SG	0	0	0	0	GREEN	On target and 4th year out of 4 closure processes – 2008-19 to 2011-12.
Statutory Grant Claims and Returns to be submitted on time	MJ/JB/GW	89.50%	100%	100%	97.4%	AMBER	Two returns were been submitted late early in the 2012/13 financial year as priority attention was allocated to producing the 2011/12 Statement of Accounts.
Achievement of industry investment benchmarks	GW	LIBID = 0.48% Achieved = 1.03%	Out perform London Inter-Bank Bid Rate (LIBID) by 10%	Out perform London Inter-Bank Bid Rate (LIBID) by 10%	LIBID = 0.39% so Target = 0.43% Achieved = 1.30%	GREEN	Target exceeded
<b>Systems Development &amp; Exchequer Services</b>							
Supplier Payment within 30 days (local indicator) (linked to AVFM Secondary 10)	LH	90.79%	98%	98%	98.54%	GREEN	On Target
Supplier Payment within 10 days (local indicator)	LH	57.30%	60%	60%	82.70%	GREEN	Target exceeded and significantly improved from last year.



Key Measures	Lead Officer	Actual 2011/12	Target 2012/13	Target to date 2012/13	Actual to date 2012/13	Status	Comments
% of supplier payments by electronic means (VFM Secondary 7)	LH	91.38%	95%	95%	95.14%	GREEN	On Target
% of remittances to suppliers by electronic means	LH	82.15%	95%	95%	98.58%	GREEN	Target exceeded
% of Financial Systems availability	LH	99.95%	99.5%	99.5%	99.98%	GREEN	On Target
<b>Procurement Services</b>							
Professionally qualified staff as % of total procurement employees (vfm Secondary 1)	JH	66.70%	50%	50%	100%	GREEN	Target exceeded
LIB/P12 Satisfaction with the corporate procurement function	JH	-	90%	90%	97%	GREEN	Target exceeded