

London Borough of Richmond upon Thames

Accountancy Section

Service Plan 2007/08

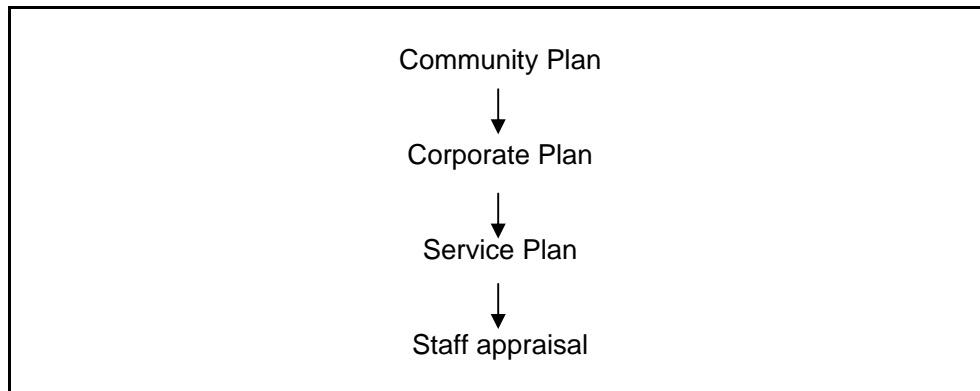
***“To provide the services that will make Richmond upon Thames the greenest
and best place in London to live work and visit”***

The Council’s vision as set out in the Corporate Plan

1. **Introduction**

Service Plans provide an important link between the Council's overarching objectives and the work done by individual service sections and, through the link to the appraisal process, to the work done by teams and individuals.

Through the hierarchy of plans, it is possible to translate the Council's objectives into priorities, action plans and performance targets for every member of staff.



Performance is monitored continuously and reported to Members on a quarterly basis. Individual staff targets are monitored through regular one to one meetings and the formal cycle of the appraisal process.

2. **The Council's Values**

In providing the myriad of services to our customers, the Council expects staff to act in accordance with the 5 core values:

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|----------------------------------|---|
| Aspire | - We will deliver excellence, meeting the needs of our customers |
| Innovate | - We will find new and better ways of delivering good value services |
| Take responsibility | - We will make timely, sound decisions and take responsibility for them |
| Be clear, honest and open | - We will be straight talking and say what we mean without jargon |
| Be inclusive | - We will work effectively with stakeholders and partners, co-operating with and supporting others to achieve results |

3. **The Council's Priorities**

The Council has set the following 5 priorities for the coming year. These reflect the main areas where the Council wants to achieve the biggest impact but recognise that all services must be delivered efficiently and effectively.

1 - Environment and Sustainability

2 - Education and Children's Services

3 - Efficient Local Government

4 - A Safer Community

5 - Promoting the Health, Housing and Well Being of All Residents

The Accountancy section provides a lead in driving efficient local government as well as being a support service to other sections within the Council and assists those sections with meeting the priorities above.

4. **Who we are and what we do**

The current Accountancy Section comprises of an establishment of 35.7 FTE containing 5 qualified Accountant posts and 7 qualified Accounting Technician Posts. As at March 2007, there are 29 FTE in post, 4 qualified Accountants, 4 part qualified Accountants and 6 qualified Accounting Technicians.

Our vision is:

To provide an excellent service that meets the developing needs of our stakeholders, and provides robust stewardship of the Council's resources.

The table below sets out the key areas of work undertaken by the section and makes the link to the priorities:

Area of work	Impact on services
Budget setting	Ensures that Service Managers have the right financial resource to deliver their services and meet their particular relevant priority
Budget monitoring	Ensures that the Council is delivering the services in line with budgeted expectation and that efficient management of services is being undertaken
Final accounts	A Statutory function from which performance indicators are calculated to ensure that our services are being delivered efficiently.
Financial advice	Consistent financial advice and adherence to financial regulations underpin the framework in which the Council operates

Treasury Management	Ensures that the Council receives best value for money on its debt and investment portfolios
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5. *Requirements placed upon us*

The section has continued to improve its performance over the past few years, notably closing the accounts in accordance with accelerated government timetables. The Accounts are now submitted to the Statutory Accounts Committee before the end of June each year and the Auditors continue to praise the staff for their high standard of work.

The Council will face considerable budget pressures over next few years and will need to undertake a number of efficiencies in order carry out its own investment priorities and to avoid council tax capping limits. This inevitably adds pressure for the Accountancy Section to complete the budget setting process at a much earlier stage than before.

With an increasingly tighter budget, there will be an underlying need for better and more accurate budget monitoring. This can hopefully be achieved through: a) better use of the financial systems (service objective 4) and b) a devolved accounting function (service objective 1), which should bring key financial staff closer to front line budget managers.

6. *How are we doing?*

The accountancy section contributes to the Use of Resources CPA score which when last assessed was scored at 3 stars. The Key Lines of Enquiry (KLOE) scores, which underpin the Use of Resources, have all either remained the same or improved over the past 2 years.

The Accountancy section is a member of the CIPFA benchmarking club and the key results from the survey are:

	Richmond	Average
Accountancy Cost per £1,000 of Gross Revenue Turnover (GRT)	£5.50	£5.45
Staff Costs per £1,000 of GRT	£3.87	£4.01
Other Running Costs per £1,000 of GRT	£1.63	£1.44
Percentage of Qualified CCAB Staff	14%	30%
Percentage of Part Qualified Staff	14%	16%
Percentage of Qualified Accounting Technicians	20%	21%
Average Short Term Sickness Days per FTE	4.6	3.3
Number of Training days per FTE	6.0	4.2
Staff Turnover	0%	5%

The Average Column is representative of the other unitary authorities that are members of the club.

The section also has a number of local performance indicators and the current targets along with the proposed targets for 2007/08 are detailed below:

		<u>2006/07 Target</u>	<u>2006/07 Latest Position</u>	<u>2007/08 Target</u>
A	Sickness	Less than 5 days per employee	10.38 days per employee for the year [3.79 days per person for short term sickness]	Less than 5 days per employee
B	Training Days	Minimum of 5 per employee	4.97 days per employee	Minimum of 5 per employee
C	Un-invested Bank Balance	Less than £50,000 each day	£22,000	Less than £50,000 each day
D	Number of days the Bank Account is overdrawn	Less than 36 days in the year	29 days overdrawn	Less than 36 days in the year
E	BACS and Cheques Split	45% of BACS by volume 87% of BACS by Amount	45% of BACS by volume 92% of BACS by Amount	50% of BACS by volume 95% of BACS by amount
F	Percentage of Invoices paid within 30 days	85%	87.6%	89%
G	Payroll files posted in SAP	1 working day prior to pay day	Average of 3.5 days after pay day	1 working day prior to pay day
H	Construction Industry Tax Returns	Before HMRC Deadlines	All achieved for 2006/07 so far	Before HMRC Deadlines
I	Committee Reports	In accordance with Corporate Timetables	All achieved for 2006/07	In accordance with Corporate Timetables

7. Pressures for Change

The biggest challenge facing the Accountancy section during 2007/08 will be the devolution of staff to Service Departments. Historically at Richmond, Accountancy has been centralised providing financial support to the Service departments. Two years ago, following a reorganisation of the Social Services and Housing department, the Accountancy function moved from the centre to the department. This pilot was reasonably successful and as a consequence it is now planned that the Education and Children's Service and the Environment Accountants should devolve as well. The section will need to

adapt to the new structure and the coordination role will need to be strengthened.

8. Service Plan

The Service Plan is based around five themes:

- Devolvement
- Homeworking
- Financial Reporting
- Financial Systems
- Improving the Efficiency of the section.

Each of these themes is directly linked to the Corporate Plan – Efficient Local Government. They are not listed in order of priority and will be continually reviewed by the Management Team throughout the year.

The accountancy section is committed to recognising the importance of equality and diversity in everything we do. All staff have attended the Rich Mix training sessions and we have completed a needs assessment which is regularly monitored.

Service Objective 1	<i>To ensure the efficient devolvement of the Accountancy function from the centre to the Environment and Education and Children's departments</i>					
Overall Measures	That there is no loss in service provision as a result of the devolvement process Areas of duplication are removed					
<u>Actions</u>	<u>Resources</u>	<u>Individual Measures</u>	<u>Risk Assessment</u>	<u>Timescale</u>	<u>Manager responsible for achieving</u>	<u>Efficiency Saving</u>
Ensure full participation of all staff	Staff time Recruitment costs	Ensure that comments are received from all Accountancy	Reduced staff morale Retention of Staff Resistance to change	Education and Children's – September	Head of Education Finance Chief	N/A

		Staff		2007 Environment – Structure in place by September 2007	Accountant Assistant Director of Finance	
Set up protocol for finalised solution	Staff Time	Ensure that Protocols are agreed and signed by all departments Ensure that all staff affected have sight of the signed agreements	Lack of Corporate Direction Disagreements Lack of cohesion Inconsistent work practices	July 2007	Chief Accountant Assistant Director of Finance	N/A
Restructuring of the Income Services Function	Staff Time Recruitment costs	Ensure that all staff are consulted on a one to one basis Ensure written agreement to new job descriptions Monitor debt recovery rates and ensure that rates increase	Not enough focus on system control Staff not able to focus on key objectives Reduced morale	August 2007	Head of Financial Systems	Improved Debt Management.
Review of the overall role of	Staff Time	Ensure that all	Existing staff unable to cope	August 2007	Chief	

the remaining central accountancy staff	Recruitment costs	staff have input into the review Ensure that all concerns / issues are addressed	with additional responsibilities Lack of coordination Staff unaware of their corporate role		Accountant	
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Service Objective 2	To continue with the phased implementation of homeworking in Accountancy					
Overall Measures	Phases 2 to 4 implemented within timescales No loss in productivity Staff morale improved Number of desks made available The concept of hot desking in place					
<u>Actions</u>	<u>Resources</u>	<u>Individual Measures</u>	<u>Risk Assessment</u>	<u>Timescale</u>	<u>Manager responsible for achieving</u>	<u>Efficiency Saving</u>
Implement processes for output management	Staff time	Staff engage in the process Managers are confident that they can operate the system	Time consuming for managers Loss of productivity Missed deadlines No uniformity of management within the section	May 2007	Chief Accountant	Improved work management
Ensure that all IT issues are addressed in a timely and effective way	Staff time Support from colleagues in ICT	Monitor levels of down time Response times to issues is within reasonable timescales	Staff frustration Loss of Productivity	Immediate for staff engaging in homeworking	Head of ICT Chief Accountant	N/A
Improve the information management systems within accountancy leading to a more paperless office	Scanning equipment Possibly some	Increases in the levels of electronic filing	Loss of records Inefficient storage of data Loss of access to records for homeworking staff	August 2007	Head of Financial Systems Chief	Key to longer term homeworking efficiency

	software Staff time for reviews	Reduction in the number of paper files			Accountant	gains
Prepare an interim report on the whole process of Homeworking within Accountancy	Staff Time	Final report completed	Other sections in the Council will encounter similar problems leading to inefficiency	September 2007	Chief Accountant	This will capture space and productivity improvements. The aim is to reduce the sections desk space by a minimum of 5 desks

Service Objective 3	Improve financial reporting					
<u>Actions</u>	<u>Resources</u>	<u>Individual Measures</u>	<u>Risk Assessment</u>	<u>Timescale</u>	<u>Manager responsible for achieving</u>	<u>Efficiency Saving</u>
Improve the quality and timeliness of all Council Committee reports written by finance staff	Staff Time	Reports completed before deadlines Improved quality of financial reports Feedback from DoFCS, ADoF & Members	Decisions are made using incorrect information Member dissatisfaction Senior Managers performing unnecessary amendments etc.	From April 2007	All Accountancy Staff engaged in writing reports	Less time needed to review reports by senior managers
Continue with continuous improvements to the statement of accounts	Staff Time	No adverse comments in the ISA 260 Improved Use of Resources CPA score	Qualified Accounts Loss of CPA score Member dissatisfaction Councils reputation	Ensure at least 2 scrutiny sessions before despatch to SAC	Chief Accountant	N/A
Continue with continuous improvements to the published accounts documents (Budget Book,	Staff Time	Feedback from Stakeholders Ensuring that	That the budget book and other publications are not received by the appropriate people	Reviews to be completed at least 2 weeks prior to	Chief Accountant	N/A

Council Tax Leaflet etc.)		documents are more focussed towards the reader	Publications are unclear	finalisation		
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Service Objective 4	Optimise the IT systems in order to improve the efficiency of business processes					
Overall Measures	Better use of the financial systems					
<u>Actions</u>	<u>Resources</u>	<u>Individual Measures</u>	<u>Risk Assessment</u>	<u>Timescale</u>	<u>Manager responsible for achieving</u>	<u>Efficiency Saving</u>
Review the budget monitoring procedures to determine whether SAP can streamline the processes	Staff time	Time spent manipulating reports from SAP is reduced. Final reports generated directly from SAP	Inefficient use of SAP Incorrect budget monitoring information being produced Currently there is minimal time to review or challenge	December 2007	Head of Finance Systems Chief Accountant	Less time spent manually producing reports – actual efficiency to be quantified
Set up a scheme of SAP training and improve the user friendliness of the Intranet site both for Accountancy and SAP	Staff time Some training material will be required	Timetable of training produced and communicated to all SAP users	Non-consistent use of SAP across the Authority SAP is not used to its full potential Incorrect information is being produced	July 2007	Head of Finance Systems	Improvements to quality of financial information
Continue the rolling programme of SAP security workshops and ensure that findings are reflected on the System Risk Registers	Staff Time	Timetable of workshops produced	Fraud Errors on SAP and other systems	All workshops completed before Dec 2007	Head of Financial Systems	Reduced risk of fraud

		<p>Action plans produced from meetings</p> <p>Improvements to security if identified</p>				
<p>Review other modules of SAP to determine whether their introduction could lead to efficiencies for the Council (Purchasing, Cash flow, Treasury, Capital Projects)</p> <p>Review existing non-SAP systems to see whether SAP can perform their functions or better integration is possible.</p>	<p>Staff Time</p> <p>Costs associated with implementing new modules</p>	<p>Ultimately, cash savings made from streamlining services etc.</p> <p>Savings in Staff time from better integration</p>	Inefficient use of Systems	Draft plan to be considered by end of June 2007	Head of Financial Systems	Long term improvements in business processes

Service Objective 5	Improve the efficiency of the Accountancy Section					
<u>Actions</u>	<u>Resources</u>	<u>Individual Measures</u>	<u>Risk Assessment</u>	<u>Timescale</u>	<u>Manager responsible for achieving</u>	<u>Efficiency Saving</u>
Continue with the regular review of all of our processes: Closing, Budget Preparation, Systems control, System Reconciliations, Purchasing module, Debt Recovery, Collection fund, Capital Accounting, Treasury Management	Staff time	All major deadlines met Improved CPA scores Individual measures will be set for all reviews / projects implemented	The section will not develop over time leading to inefficiencies The section will not react to changes in legislation The section will lack drive and ambition	Review dates to be drawn up by June 2007	Chief Accountant Heads of Group	The long term aim is to delete one of the vacant posts
Review of the accountancy structure	Staff time		The section may not meet the needs of its stakeholders Not enough resources to meet targets The section is not 'fit for the purpose'	November 2007	Chief Accountant	Aim to reduce staffing costs as reported above
Review of the Competency framework for staff	Staff Time	Staff engage in the new process Less staff time spent on producing	The old scheme has not adapted to the changes in the section The old scheme is not synonymous with the new corporate framework The existing system takes	December 2007	Chief Accountant Heads of Group	Improve competencies and therefore output

		evidence etc.	staff and managers too long to complete.			
Reviewing the development plan for the CIPFA Trainees	Staff Time	Plan is in place and addresses issues	Trainees do not gain enough experience / training to enable them to pass their IPDS Staff turnover	August 2007	Head of Capital Finance	Better experienced trainees
Set up a development plan for managers	Staff Time Cost of training courses	Managers utilise new or improved skills	Managers are not properly trained leading to management issues within the section. Managers and Staff morale Staff Turnover Poor Performance	August 2007	Assistant Director of Finance Chief Accountant	Better more efficient managers
Improve the Key Lines of Enquiry (Use of Resources) scores and start to develop the CIPFA Financial Model for the Authority	Staff Time	The model is in place Use of Resources score to be maintained at a 3 as minimum	The Authority could 'coast' leading to reduced financial management Lower CPA score	March 2008	Assistant Director of Finance Chief Accountant	
Continue with commitment to equal access by regularly reviewing self assessment of Equality Needs and updating the Action Plan accordingly	Staff Time	Initial EINA updated annually Action plan deadlines met	Failure to meet the needs of stakeholders (internal and external) Failure to promote equality	July 2008	Chief Accountant Heads of Group	