

TRAFFORD COUNCIL

Report to: Accounts and Audit Committee
Date: 19 November 2014
Report for: Information
Report of: Audit and Assurance Manager/Transformation Programme Manager/Acting Director of HR

Report Title

Budget Monitoring Investigation – Action Plan Update

Summary

Following the issue of the report setting out findings from the investigation relating to the Council's budget monitoring arrangements, an Action Plan was subsequently agreed, which was presented to the Accounts and Audit Committee on 25 September 2014.

It was agreed that there would be ongoing monitoring of progress against the Plan to track progress in implementing the recommendations made, with updates provided to the Corporate Management Team (CMT) and the Accounts and Audit Committee.

This report provides an update on the current position against each of the planned actions listed, providing a summary of action undertaken to date and ongoing work / future plans. In addition, an Organisational Development recovery action plan has been compiled and is attached at Appendix 1.

Regular updates will continue to be provided to CMT and the Accounts and Audit Committee during the year.

Recommendation

The Accounts and Audit Committee reviews the progress report and note a further update will be provided to the Committee at its next meeting.

Contact person for access to background papers and further information:

Name: Mark Foster, Audit and Assurance Manager
Extension: 1323

Background Papers: None

Budget Monitoring Action Plan

1. Background

Following the issue of the report setting out findings from the investigation relating to the Council's budget monitoring arrangements, an Action Plan was subsequently agreed, which was presented to the Accounts and Audit Committee on 25 September 2014.

It was agreed that regular updates would be provided, both to the Corporate Management Team and the Accounts and Audit Committee regarding progress against the Plan.

This report provides details of progress made to date, ongoing and further work planned to implement the improvements identified.

2. Action Plan Monitoring

A process was agreed with the Corporate Management Team whereby regular updates are provided in relation to the Budget Monitoring Action Plan which, in addition to providing updates of work undertaken against the Plan, also ensures evidence is provided by responsible officers of progress to date.

As part of the monitoring process, the Audit and Assurance Manager and Transformation Programme Manager have liaised with key officers identified in the Plan to monitor progress and report on developments.

It is intended that the Plan will continue to be monitored through the year, not only to ensure actions are implemented, but also to ensure that new arrangements are embedded and ongoing improvements are sustained. Supporting evidence provided of actions / developments to date is being reviewed and findings will be shared in future updates.

This update is based on information gathered through October and early November 2014.

3. Summary of Progress to Date

Detailed progress against the Action Plan is shown in Section 5. Below is an overview of key developments and key areas where work is ongoing. This is highlighted in terms of actions progressed relating to Adult Services in the Children, Families and Wellbeing (CFW) Directorate and also corporate/authority wide issues.

3.1 CFW:

A fundamental requirement to improve budget monitoring processes within Adult Services in CFW was the need to ensure there is clear accountability for managing budgets. In accordance with recommendations from the Budget Monitoring Investigation, individual named officers have now been allocated as responsible for individual budget headings.

Another key finding from the investigation was the need to ensure there are clearly established and effective processes across Adult Services for reviewing financial information and escalating issues as appropriate. Processes for sharing and reviewing financial information have been revised in line with recommendations. This includes establishing clear expectations for the respective groups within CFW Adults with responsibility for budget monitoring and also ensuring key issues / concerns are formally escalated to the CFW Senior Leadership Team as they arise.

A Finance Business Delivery Sub Group has been established to ensure a greater focus on the regular review and monitoring of financial information and ensuring individual budget holders are held accountable for managing their respective budgets. This group has an agreed membership and Terms of Reference. Supporting this, processes have also been established to ensure budget holders have an opportunity to have regular scheduled meetings with Finance staff.

There have been developments to improve management of the Learning Disability budget with the introduction of a Learning Disability Sub Group. Systems have been established to improve financial monitoring at an individual case level.

Budget holders within CFW Adults have recently received training on budget monitoring. It is planned that budget holders will have significant input to the process for preparing the 2015/16 budget.

A key priority going forward is the implementation of the Liquid Logic system in 2014/15, with the intention of improving financial monitoring with the improved reporting capability of the new system.

3.2 Corporate/Authority Wide:

A number of recommendations have been addressed with the introduction of changes to the format and content of the Council's budget monitoring reports to ensure improved reporting of the budget position is taking place through the year. This includes as recommended:

- more commentary on service activity within the budget reports relating to Children's and Adults Services;
- ensuring there is adequate reporting on "gross" budgets;
- inclusion of major budget assumptions as part of reporting; and
- separate sections in the monitoring reports for the main elements of CFW (Adults, Children and Public Health).

The Director of Finance held a briefing for Finance staff to raise awareness of revised reporting requirements and also to ensure staff are fully aware of arrangements within the Service for escalating issues/concerns.

Work is currently in progress to further develop existing corporate guidance for services regarding budget management. There has been research undertaken by Finance Services to identify practice elsewhere which is being utilised in developing updated guidance. The aim is to ensure that there is clear documented guidance to ensure clarity of roles, both for budget holders and Finance staff. There has been

some delay in developing the guidance for budget holders but this is being drafted with a view to being produced in November 2014. Once completed, further training including roll out of the guidance will take place across the Council.

A review is taking place of the existing timetable for budget reporting, in consultation with each directorate, to ensure it meets the Council's needs.

The Financial Management function is also considering arrangements for introducing new processes to verify the accuracy of budget monitoring, including assumptions made. Outcomes from this will be reported in a future update.

4. Organisational Development Recovery Action Plan

Since the budget monitoring action plan was last discussed at Accounts and Audit Committee on 25th September 2014, further work has been undertaken to look at the required performance management, cultural and training and development actions arising from the recommendations.

Appendix 1 details these actions and highlights where, as appropriate, they cross-reference to the budget monitoring action plan.

5. Budget Monitoring Action Plan – Update (November 2014)

RECOMMENDATION	ACTION PLANNED	RESPONSIBILITY	TIMESCALE	ACTIONS UNDERTAKEN (Update November 2014)	WORK ONGOING / FUTURE PLANS (Where applicable)
<p>1. The responsibility, accountability and control in respect of care budgets must be clearly identified as a matter of urgency and agreed with the Chief Executive, Corporate Director CFW and Director of Finance.</p>	<ul style="list-style-type: none"> • Budget managers to be realigned and documented through Business Delivery • A Finance Business Delivery Sub Group to be established to hold budget holders accountable • Monthly reporting will be presented to new Business 	<p>Interim Finance Manager -CFW Adults (MA) / Deputy Corporate Director CFW (LH) / Joint Director for Adults, Social Care (DE)</p> <p>Deputy Corporate Director CFW (LH) / Joint Director for Adults, Social Care (DE)</p> <p>Interim Finance Manager -CFW Adults (MA)</p>	<p>Completed August 14</p> <p>Completed August 14</p> <p>To Commence Sept 14</p>	<p>An agreed documented list of budget holders accountable for specific budgets is now in place, agreed by the Business Delivery Group.</p> <p>The Business Delivery Finance Sub Group has been established, with weekly meetings held. Issues discussed are escalated to CFW SLT using a standard report format.</p> <p>This process has been applied, commencing with</p>	<p>List of budget holders to be continually reviewed.</p> <p>Agenda and structure of meeting to be regularly reviewed.</p>

	<p>Delivery Finance Sub Group, allowing time for comments and escalation of areas of concern to be evaluated and analyse</p> <ul style="list-style-type: none"> Above to be confirmed with Chief Executive, Corporate Director and Director of Finance 	<p>Deputy Corporate Director CFW (LH) / Joint Director for Adults, Social Care (DE)</p>	<p>To be finalised Sept 14</p>	<p>the October 2014 report.</p> <p>A presentation was given to the Chief Executive outlining the new approach. Details have been shared with the CFW Senior Leadership Team (SLT) and all above details have been shared with CMT.</p>	<p>CMT to continue to be provided with regular updates on progress against the Action Plan. There will be quarterly review meetings of the Corporate Director CFW, Director of Finance and key Finance and CFW managers to review arrangements and identify and further improvements required.</p>
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<p>2. The terms of reference / roles of groups and teams in CFW Adults (including Business Delivery Group and SLT) must be formally documented in terms of their respective roles in relation to managing and controlling budgets. This should include their purpose/role, who attends from both service and finance teams and the requirements of the groups/teams in terms of the content and frequency of financial information to be reviewed. There must be complete clarity and transparency in relation to who has prime responsibility for monitoring, managing financial control and providing assurance to the Corporate Director and Director of Finance.</p>	<p>Terms of reference for Business Delivery Groups across children's and adults to be aligned with SLT expectations.</p> <ul style="list-style-type: none"> • Business delivery Finance Sub Group established • Budget holders realigned • Monthly reporting process agreed with timetable of one to ones for all budget holders with finance leads prior to completion of budget report 	<p>Corporate Director CFW (DB)</p> <p>Deputy Corporate Director CFW (LH) / Joint Director for Adults, Social Care (DE)</p> <p>Interim Finance Manager -CFW Adults (MA)</p>	<p>Completed August 14</p> <p>Completed August 14</p> <p>Completed August 14</p> <p>September 14</p>	<p>Terms of reference agreed by SLT.</p> <p>Finance Sub Group Established, as above.</p> <p>Accountability for each budget heading established.</p> <p>Separate sub-directory established to hold monthly forecasts. All budget holders given access and training to review own areas in advance of meetings. Calendar of meetings set up for budget holders to arrange monthly meetings.</p>	<p>List of budget holders to be continually reviewed.</p> <p>The process will be kept under constant review due to resource pressures as November to February will be particularly challenging with the implementation of the Liquid Logic system. Some prioritisation will be required.</p>
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	All to be reviewed by Director of Finance and Audit & Assurance Manager	Director of Finance (ID) / Audit and Assurance Manager (MF)		Meetings have been held with key officers to discuss progress as stated in this report and evidence has been provided.	Audit and Assurance Manager / Transformation Programme Manager to continue to liaise with relevant officers and review evidence of progress provided to inform future updates to CMT and the Accounts and Audit Committee.
3.The disconnect in the monitoring of the Learning Disability recovery plan has contributed significantly to the overall position. The impact of the arrangements in place should be considered in the further investigation.	<ul style="list-style-type: none"> Investigation Terms of Reference established to include the Learning Disability Recovery Plan New Learning Disability Sub Group to be established Spreadsheet 	<p>Director of Human Resources (JH) /Corporate Director CFW (DB)</p> <p>Deputy Corporate Director CFW (LH) / Joint Director for Adults, Social Care (DE)</p> <p>Interim Finance</p>	<p>Completed</p> <p>Completed August 14</p> <p>Complete and</p>	<p>Details included within Terms of Reference</p> <p>Learning Disability Sub Group has been established with an agreed Terms of Reference and is attended by relevant budget holders.</p> <p>The spreadsheet</p>	<p>With the introduction</p>

	tracking all savings at case level to be established	Manager -CFW Adults (MA) / Accountant (GD)	on-going	has been established in respect of Learning Disabilities. Its purpose is to provide detailed financial service provision information to support service and budget planning and savings delivery.	of the Liquid Logic System, a series of monitoring programmes to be established, utilising the enhanced reporting capacity of the new system.
<p>4. Budget monitoring and reporting processes must be changed as a minimum to include the following improvements:</p> <ul style="list-style-type: none"> • SLT in CFW must be provided with a summary of the exact budget information reviewed by the Business Delivery Groups each month and the main assumptions used to forecast the year end position; • The monthly financial monitoring information 	<ul style="list-style-type: none"> • The full budget monitoring report to be presented to Business Delivery Group including line by line accounts. Summary of findings to be presented to SLT with an audit trail to public budget monitoring report 	Interim Finance Manager -CFW Adults (MA) / Deputy Corporate Director CFW (LH) / Joint Director for Adults, Social Care (DE)	First report to be presented Sept 14	This reporting process has been established.	Quarterly review meetings of the Corporate Director CFW, Director of Finance with key CFW Directors and Finance staff will take place to monitor and review arrangements and identify any further improvements required.

<p>produced by Finance must be distributed to relevant budget holders prior to Business Delivery Group meetings. When this is not possible it should be available for further review / action following the meeting;</p> <ul style="list-style-type: none"> The Business Delivery Group must ensure adequate time is provided for the monthly budget review and the minutes of this meeting must clearly set out the key points of the agenda item discussed, including assurances and key actions required as an outcome of that meeting; The Business Delivery Group must also receive, review and 	<ul style="list-style-type: none"> Timetable of reporting established Budget holder one to ones established and timetabled for Sept budget report cycle Set agendas to be agreed Escalation process will flow into CFW SLT (to be tested in Sept) Budget reporting process agreed Timetable to be 	<p>Senior Accountant (JG)</p> <p>Deputy Corporate Director CFW (LH) / Joint Director for Adults, Social Care (DE)</p> <p>Interim Finance Manager -CFW Adults (MA) / Deputy Corporate Director CFW (LH) / Joint Director for Adults, Social Care (DE)</p>	<p>Complete</p> <p>Complete and on going</p> <p>Established and on-going</p> <p>Sept 14</p>	<p>Timetables setting out relevant deadlines have been established.</p> <p>A Calendar of meetings has been set up for budget holders to arrange monthly meetings.</p> <p>Agreed agenda items include an item on escalating key issues. An escalation pro-forma is in place to highlight the issue, risks and actions to address this.</p> <p>Process of reporting established with timetables in place.</p>	
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<p>agree information formally reported as part of the monthly revenue budget monitoring reports to ensure that there is an awareness of details reported and also to provide challenge to any assumptions being made in respect of financial forecasts.</p>	<p>tested in Sept</p> <ul style="list-style-type: none"> All meetings are formally serviced and recorded 				
<p>5. Budget holders within Adults must have adequate input into and ownership of budget planning processes, understand the compilation of the budget and have the opportunity to provide challenge in the budget setting process; this includes liaison with Finance to agree/understand the different elements of the budget e.g. changes made due to demographic factors, legislative changes and</p>	<ul style="list-style-type: none"> Training set up for budget holders Process for identifying and forecasting and allocation of assigned funds for Demographic Factors being reviewed currently 	<p>Interim Finance Manager -CFW Adults (MA)</p> <p>Interim Finance Manager -CFW Adults (MA) / Joint Director for Adults, Social Care (DE) Business Relationship Officer (DW)</p>	<p>Sept 14</p> <p>Sept 14</p>	<p>Finance has provided some 1:1 training to budget holders within CFW in respect of specific expectations in their role in budget monitoring.</p> <p>Processes have now been established to determine demographic and other major budget changes.</p>	<p>The budget proposals for 2015/16 are currently out for consultation. Relevant budget holders will be fully engaged in the budget setting exercise.</p>

<p>any other assumptions which are relied upon for budget forecasting.</p>	<ul style="list-style-type: none"> • Agreements made that all changes to budgets must be agreed through Business Delivery Group and SLT 	<p>Interim Finance Manager -CFW Adults (MA) / Joint Director for Adults, Social Care (DE)</p>	<p>Complete</p>	<p>It has been agreed that the practice going forward will be for all budget changes to be reported to Business Delivery and SLT for approval.</p>	
<p>6.Priority must be given to the development of the Liquid Logic IT system so that it is developed on time and the benefit of timely reports on activity and finance can be gained at the earliest opportunity. In the interim, there needs to be a short term solution to link demand with impact.</p>	<ul style="list-style-type: none"> • Monthly reporting from Liquid Logic project into SLT, Councillor Young updates in place • Exception reporting to CMT re any timeline changes in place to CMT • Historic data from IT system extracted to establish trends for monitoring with budget holders on a monthly basis. 	<p>Joint Director for Adults, Social Care (DE)</p> <p>Corporate Director CFW</p> <p>Interim Finance Manager -CFW Adults (MA) / Joint Director for Adults, Social Care (DE)</p>	<p>In place</p> <p>In place</p> <p>In place and on-going</p>	<p>A monthly highlight report is produced. The implementation programme is being closely managed and has moved to a go live phase from 6 November 2014 as planned.</p>	

<p>7. Whilst it is recognised that there may be a need for minor local variances in how staff from respective Finance Teams support budget holders, a clearly established framework must be put in place to ensure that there is a consistent approach across the Council and that budget holders are clear about the level of service that they should receive from finance staff and therefore be clear about their responsibilities and their ability to challenge Finance colleagues.</p>	<p>Guidance will be drafted and consulted upon via Departmental Management Teams</p> <p>CMT to approve final version</p>	<p>Director of Finance / Head of Financial Management</p>	<p>In place by November 2014</p>	<p>Guidance documents have been obtained from other Local Authorities including an SLA from a neighbouring Authority.</p>	<p>In November 2014, Finance Managers to outline proposed content for a document outlining budget holder responsibilities, finance responsibilities and possible SLA.</p>
<p>8. Financial Management must ensure that staff are aware of, and operate, an escalation policy which would include both specific financial reporting arrangements and the Council's Whistleblowing Policy, to allow any finance related concerns</p>	<p>Staff will be reminded of existing whistleblowing policy and how to escalate financial concerns</p>	<p>Director of Finance</p>	<p>September 2014</p>	<p>A presentation was given by the Director of Finance to Finance Staff which highlighted expectations regarding reporting concerns</p>	<p>Further steps will include incorporating coverage of this issue in future PDRs and consideration of further assessing staff awareness e.g. through a questionnaire.</p>

to be raised at an early stage.					
<p>9. Current budget monitoring and reporting arrangements must be strengthened as follows:</p> <ul style="list-style-type: none"> • For demand led budgets in particular, there must be a commentary on service activity which provides a link to financial performance; • Major assumptions used to forecast the financial position to the end of year must be included in all budget monitoring reports; • Monitoring must be against gross expenditure and 	<p>All budget holders and finance staff to be advised of revised standard of reporting.</p>	<p>Director of Finance / Head of Financial Management</p>	<p>October 2014</p>	<p>Actioned as follows:</p> <p>The Budget Monitoring Report for Period 5 has included information on service activity in respect of Children and Adult Services.</p> <p>Budget Monitoring Reports now include major assumptions (as per reports in Periods 4 and 5).</p> <p>This has been implemented as part of producing 2014/15 budget</p>	

<p>gross income, i.e. there must be no 'netting off' when explaining main budget variations;</p> <ul style="list-style-type: none"> Senior managers and directors must be given the time and opportunity to comment on the content of the budget monitoring reports before publication; 	<p>Existing timetable for production of monitoring reports to be reviewed and agreed by CMT</p>			<p>monitoring reports.</p> <p>As agreed at CMT on 28/10/14, Corporate Directors are to discuss at their management teams whether the current timetable provides adequate opportunity for budget holders to challenge budget monitoring reports.</p>	<p>Any future changes to take into account feedback across directorates.</p>
<p>10. Assumptions underpinning budgets must be reviewed each year to ensure that up to date assumptions are included as part of budget setting and subject to monitoring through the year.</p>	<p>Assumptions will be stated in budget planning reports and monitored via monthly reports during the year</p>	<p>Director of Finance / Head of Financial Management</p>	<p>September 2014</p>	<p>Major assumptions are already included in budget setting reports. The Period 6 monitoring report includes monitoring of those assumptions e.g. forecasts assume pay award at 1%.</p>	
<p>11. To ensure that budget holders are clear about their roles and responsibilities, the following actions must be</p>	<p>CIPFA and external auditor to be consulted on best practice for roles and responsibilities and for</p>	<p>Director of Finance / Head of Financial Management/Audit and Assurance Manager</p>	<p>November 2014</p>	<p>Examples of guidance documents have been obtained from other local authorities. Details have also been obtained in</p>	<p>Finance Managers in process of completing guidance documentation</p>

<p>taken:</p> <ul style="list-style-type: none"> • a basic checklist of budget holders' responsibilities must be documented and circulated across the Council as a reference point for all budget holders. This will ensure that relevant officers have the guidance needed, they are aware of their role and that of Finance Services within the budget monitoring process and there is adequate accountability. • as a minimum, for 'high risk' areas of the budget (to be determined by Corporate Directors and Director of Finance,) a 	<p>training programmes</p>			<p>respect of the CIPFA Financial Management Module. The External Auditor has also been consulted and is sharing available information.</p>	<p>utilising available information where appropriate. A draft will be available for circulation by 14th November 2014.</p> <p>Training programme to be devised when guidance documentation has been agreed.</p>
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training programme is developed and delivered as a priority.					
12. Financial Management should research latest best practice on forecasting adult care demands at peer councils in considering arrangements going forward.	Metropolitan, Unitary and London authorities to be contacted via Society of Municipal Treasurers for examples of best practice	Director of Finance	October 2014	Authorities have been contacted as planned. The Director of Finance (ID) has now received responses from a number of local authorities that have volunteered to share their practice	Examples of practice identified elsewhere to be followed up further with reference to those authorities which have volunteered to share their practice.
13. Financial Management should consider introducing new checks and balances to add to verifying the accuracy of budget monitoring, including all assumptions made.	Evaluation of options and benefits to be carried out	Director of Finance / Head of Financial Management / Audit and Assurance Manager	October 2014	The Director of Finance and Finance Managers are evaluating possible checks as part of the budget monitoring report process.	Ongoing discussions within the Finance team to confirm an agreed approach.
14. The format of budget monitoring of CFW be changed to split it back into the three main components of Adults, Children and Public Health, with a brief	Actioned	Director of Finance (ID) / Finance Manager (MA)	August 2014	This has been implemented (as per the Period 4 budget monitoring report).	

overarching set of consolidated figures.					
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ORGANISATIONAL DEVELOPMENT – RECOVERY ACTION PLAN**November 2014**

Ref	Recommendation	Action planned	Responsibility	Timescale	Actions	Next Steps
1.	<p>Adults' Service Managers need to be fully integrated into CFW to ensure that they understand their collective responsibilities for the whole service.</p> <p><i>This recommendation links into a wider need to review and develop a "uniform" culture across CFW</i></p>	<p>1. 1 Review/revisit the Directorate Values (and underpinning principles) that were developed via the 2013 "Values and Culture" workshops and determine if they are still valid.</p> <p>1.2 Amend if required (ensuring that the content supports and underpins the corporate objectives and values, embeds a "One Trafford" approach and aligns to the current context of Reshaping Trafford) and communicate/cascade through the management meetings structure.</p> <p>1.3. Assess if any additional training and development interventions are required and implement.</p>	<p>DB</p> <p>DB, with LH/AB</p> <p>DB, with LH/AB</p>	<p>November 2014</p> <p>November / December 2014</p> <p>November 2014 – January 2015</p>		

		1.4 Evaluate the impact of the training and development interventions.	LH/AB	February 2015		
		1.5 Continuously monitor the culture and behaviours, ensuring that there is no drift back to a “silo” mentality	DB	February 2015 & on-going		
		1.6 Maintain the profile of the required culture and behaviours through a standing item on the Wider Leadership Team quarterly meetings – with team leaders tasked with cascading to all staff.	DB	February 2015 & on-going		
		1.7 There is an existing Workforce Strategy and Action Plan for CYPS; there is a need to determine whether there is an equivalent for Adults and to what extent these are fully integrated.	DB, with DQ/LH/AB	November 2014		
		1.8 Review arrangements for wider leadership meetings to ensure there is full representation across the Directorate	DB	November 2014		

Ref	Recommendation	Action planned	Responsibility	Timescale	Actions	Next Steps
2.	CFW & Finance Managers are developed to ensure that they have the relevant people management skills to be able to lead, develop, motivate and manage the performance of their staff.	<p>2.1 A Management Development Programme (Mobilising for Change) is being rolled out across the Council, delivered by NWEO</p> <p>2.2 All CFW & Finance managers mandated to attend Phase Two Mobilising for Change Coaching Skills Training</p> <p>2.3 Management Guidance to be developed and implemented across the Council, setting out the key roles and responsibilities expected of a Trafford Manager (including the requirement to undertake regular 1-1's/supervision, team meetings, etc.). To include the basic checklist of budget holders' responsibilities (see Ref 5.)</p>	<p>LH/AB</p> <p>LH/AB</p> <p>LH/AB</p>	<p>Delivered in August and September 2014</p> <p>January 2015</p> <p>December 2014</p>	<p>Delivered in August and September 2014</p>	<p>Identify managers who did not attend the training and mandate actions to address skills gaps</p> <p>Targeted sessions to be developed for CFW & Finance managers in December.</p>

Ref	Recommendation	Action planned	Responsibility	Timescale	Actions	Next Steps
		2.4 Managers to receive mandatory skills training on implementing the new PDR process	LH/AB	November / December 2014	Currently running drop-in and briefing sessions for staff and managers on the new PDR process.	
		2.5 Undertake a 360 degree exercise for the CFW wider leadership group (to include Health colleagues) & Finance Managers.	LH/AB	January – March 2015		
		2.6 Explore training options to support CFW & Finance managers to improve their ability to challenge, probe, question and test assumptions	LH/AB	November 2014		
		2.7 Review the September 2013 Performance Management Report & the accompanying November 2013 Performance Management Implementation Plan & revise, as appropriate, in consultation with HR.	DB	November / December 2014		

Ref	Recommendation	Action planned	Responsibility	Timescale	Actions	Next Steps
3. (Cross referenced with recommendation 5 in Finance Action Plan)	Budget holders within Adults must have adequate input into and ownership of budget planning processes, understand the compilation of the budget and have the opportunity to provide challenge in the budget setting process; this includes liaison with Finance to agree /understand the different elements of the budget e.g. changes made due to demographic factors, legislative changes and any other assumptions which are relied upon for budget forecasting.	3.1 Training set up for budget holders	MA	Sept 14	Finance has provided some 1:1 training to budget holders within CFW in respect of specific expectations in their role in budget monitoring.	The budget proposals for 2015/16 are currently out for consultation. Relevant budget holders will be fully engaged in the budget setting exercise.
		3.2 Process for identifying and forecasting and allocation of assigned funds for Demographic Factors being reviewed currently	DW/DE/MA	Sept 14	Processes have now been established to determine demographic and other major budget changes.	
		3.3 Agreements made that all changes to budgets must be agreed through Business Delivery Group and SLT	MA/DE	Complete	It has been agreed that the practice going forward will be for all budget changes to be reported to the Business Delivery and SLT for approval.	

Ref	Recommendation	Action planned	Responsibility	Timescale	Actions	Next Steps
4. (Cross referenced with recommendation 7 in Finance Action Plan)	Whilst it is recognised that there may be a need for minor local variances in how staff from respective Finance Teams support budget holders, a clearly established framework must be put in place to ensure that there is a consistent approach across the Council and that budget holders are clear about the level of service that they should receive from finance staff and therefore be clear about their responsibilities and their ability to challenge Finance colleagues.	4.1 Guidance will be drafted and consulted upon via Departmental Management Teams 4.2 CMT to approve final version	ID CMT	In place by November 2014 November 2014	Guidance documents have been obtained from other Local Authorities including an SLA from a neighbouring Authority.	In November 2014, Finance Managers to outline proposed content for a document outlining budget holder responsibilities, finance responsibilities and possible SLA.

Ref	Recommendation	Action planned	Responsibility	Timescale	Actions	Next Steps
5. (Cross-referenced with recommendation 11 from Finance Action Plan)	<p>To ensure that budget holders are clear about their roles and responsibilities, the following actions must be taken:</p> <ul style="list-style-type: none"> • A basic checklist of budget holders' responsibilities must be documented and circulated across the Council as a reference point for all budget holders. This will ensure that relevant officers have the guidance needed, they are aware of their role and that of Finance Services within the budget monitoring process and there is adequate accountability. 	<p>5.1 CIPFA and external auditor to be consulted on best practice for roles and responsibilities and for training programmes</p> <p>5.2 Incorporate the checklist into the Management Guidance (see 2.3)</p>	<p>ID/MF</p> <p>LH/AB</p>	<p>November 2014</p> <p>December 2014</p>	<p>Examples of guidance documents have been obtained from other local authorities. Details have also been obtained in respect of the CIPFA Financial Management Module. The External Auditor has also been consulted and is sharing available information.</p>	<p>Finance Managers in process of completing guidance documentation utilising available information where appropriate. A draft will be available for circulation by 14th November 2014.</p>

Ref	Recommendation	Action planned	Responsibility	Timescale	Actions	Next Steps
6. (Cross referenced with recommendation 11 from the Finance Action Plan.	<p>To ensure that budget holders are clear about their roles and responsibilities, the following actions must be taken:</p> <ul style="list-style-type: none"> As a minimum, for 'high risk' areas of the budget (to be determined by Corporate Directors and Director of Finance,) a training programme is developed and delivered as a priority. 	<p>6.1 CIPFA and external auditor to be consulted on best practice for roles and responsibilities and for training programmes</p> <p>6.2 **NEW** Once consultation has taken place, liaise with Workforce Strategy team with respect to the development or commissioning of a relevant training programme.</p>	<p>ID/MF</p> <p>ID/MF</p>	<p>November 2014</p> <p>November / December 2014</p>	<p>As per 5.1</p>	<p>Training programme to be devised when guidance documentation has been agreed.</p>

Ref	Recommendation	Action planned	Responsibility	Timescale	Actions	Next Steps
7. (Cross referenced with recommendation 8 from the Finance Action Plan.	Financial Management must ensure that staff are aware of, and operate, an escalation policy which would include both specific financial reporting arrangements and the Council's Whistleblowing Policy, to allow any finance related concerns to be raised at an early stage. (Whistleblowing)	7.1 Staff will be reminded of existing Whistleblowing Policy and how to escalate financial concerns.	ID	September 14	A presentation was given by the Director of Finance to Finance staff, which highlighted expectations regarding reporting concerns.	Further steps will include incorporating coverage of this issue in future PDRs and consideration of further assessing staff awareness e.g. through a questionnaire.
8.	Undertake a survey of finance staff in respect to training and development needs, to ensure that the service has the appropriate skills and knowledge to meet future challenges – and to put in place succession planning strategies.	8.1 Survey completed	LH	September / October 2014		
		8.2 Review the findings and deliver training to all finance staff to address generic / ICT-specific training needs	LH/AB	November – January 2015		
		8.3 Assess professional qualification and development requirements alongside restructure proposals.	LH/AB	November 2014 – January 2015		

Ref	Recommendation	Action planned	Responsibility	Timescale	Actions	Next Steps
		8.4 Consider and approve professional qualification applications, as appropriate – either as conditional for the post or as part of the succession plan.	LH/AB	January / February 2015		

Officer Key:

DB: Deborah Brownlee, Corporate Director, Children, Families and Well being

DE: Diane Eaton, Joint Director of Adult Social Care

MA: Mark Astbury, Finance Manager (interim), Adult Social Care

ID: Ian Duncan, Finance Director

MF: Mark Foster, Head of Audit & Assurance

LH: Lisa Hooley, Acting Director of HR

AB: Angela Beadsworth, Acting Head of Workforce & Core Strategy

DQ: Debbie Quinn, HR Business Partner