Agenda Item No.

12

JOINT INDEPENDENT AUDIT COMMITTEE
27 JULY 2017

SUBJECT	**FINANCE REVIEW – PROGRESS UPDATE**
REPORT BY	**CHIEF FINANCE OFFICER (CFO) & FORCE CHIEF FINANCE OFFICER (FCFO)**
CONTACT OFFICER	**SHARON CLARK, FORCE CHIEF FINANCE OFFICER** **TEL: 01522 558042**
SUMMARY AND PURPOSE OF REPORT To update the Committee on the progress made with the CIPFA Finance.	
RECOMMENDATION	***That the Committee notes the progress made to date.***

A. SUPPORTING INFORMATION

1.0 Purpose

1.1 The purpose of this report is to provide the Committee with a progress update on the CIPFA Finance review action plan.

2.0 Progress Report

2.1 The update report presented to JIAC on 5th April 2017 identified three key next steps as follows:

- Project manager assigned and briefed by 30 April 2017
- Revised Action Plan produced and agreed by 31 May 2017
- Implementation commencing June 2017

This report provides a progress review and further actions identified.

2.2 Despite best efforts, we have not yet been able to appoint a Project Manager and are reviewing how to proceed. Discussions are taking place with the G4S Finance Team as an opportunity has been identified to release a member of staff on a temporary basis to lead the Finance transformation.

2.3 However, progress has continued and some revisions have been made to the Action Plan, see Appendix 1. The Committee will be aware that there has been significant change to the Chief Officer Group since April. As a result, responsibilities for some of the actions under each Theme have been realigned after discussion between the FCFO and ACO and delivery timescales reassessed.

2.4 Implementation has commenced on a number of the actions and priorities in the revised Plan and these are described below.

- Accountability - Budgetary responsibility

  It has now been agreed to devolve the Police staff budgets which have been held centrally to date to operational areas. This has been welcomed by the Area Commanders as allowing them to manage their teams and resources more effectively. Work is now in progress to complete the budget transfers by September in line with the budget setting timetable.

- In year management - Budget Process

  A revised Budget Setting Process is currently in development which incorporates the changes to budgetary responsibility described above. An initial workshop took place in June to scope the process and a report has been produced by the Head of Finance for approval. The process aims to increase budget holder ownership of the process and the final budgets.

- Systems – Reporting : Resource Governance reports

  The Resource Governance financial monitoring reports have now been fully automated directly from the t-Police system. The Chart of Accounts and cost centre structure has been completely revised to facilitate this. This ensures accuracy of reporting and improves efficiency by eliminating the need for manual intervention in the report production.

- Systems – Reporting : Monthly financial reporting for Chief Officer Group

  The FCFO is leading on the next stage in reporting functionality, which is to develop detailed reporting of the Chief Constable's delegated budget to area command level to facilitate operational decision making. Work is underway with the reporting and management accounting teams to develop an achievable reporting structure in the short term and plan for further enhancements in the medium term. This runs in parallel with the devolving of the staff budgets to the area command level. A reporting specification will be finalised within the next few weeks for agreement with COG and implementation.

- Systems – Self authorisation of travel claims and expenses

  This falls within the benefits to be realised from t-Police by reducing time required to submit and process claims. Work is currently underway with both Finance and HR to set protocols, limits and procedures to allow self-authorisation of claims whilst maintaining sufficient audit/internal controls. This will reduce manager intervention, freeing up time and allowing more efficient processing of claims. This work is being led by the Force CFO and is supported by the Chief Officer Group.

B. FINANCIAL CONSIDERATIONS

There are no direct financial implications arising from this report.

C. LEGAL AND HUMAN RIGHTS CONSIDERATIONS

The Police and Crime Commissioner and Chief Constable discharge their responsibilities to secure the maintenance of an efficient and effective police force under section 1 (6)(b) of the Police Reform and Social Responsibility Act 2011, and the Chief Finance Officer and Force Chief Finance Officer meet their responsibilities under section 151 of the Local Government Act 1972, section 73 of the Local Government Act 1985 and section 112 of the Local Government Finance Act 1988 for ensuring the proper administration of the Commissioner and Chief Constable's financial affairs.

D. PERSONNEL, EQUAL OPPORTUNITIES AND DIVERSITY ISSUES (including any impact or issues relating to Children and Young People.)

There are no direct Personnel, Equal Opportunities and Diversity issues arising from this report.

E. REVIEW ARRANGEMENTS

The Committee will receive the further updates on progress as appropriate.

F. RISK MANAGEMENT

The Police and Crime Commissioner and Chief Constable include risks on financial procedures and processes as appropriate within the Corporate Finance risk register, with any significant items being included within the force wide register.

G. PUBLIC ACCESS TO INFORMATION

Information in this report along with any supporting material is subject to the Freedom of Information Act 2000 and other legislation.