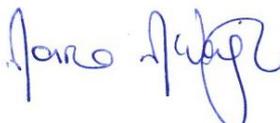
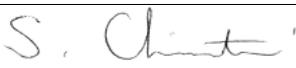


FINANCE SERVICE

1 April 2022 – 31 March 2023

Head of Service signature	
Date	24/02/2022
Peer Review signature	
Date	24/02/2022
Director signature	
Date	25/02/2022



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1. Introduction

Name of Service	Finance Service
Included Service Units	Corporate Accounting Performance Accounting Capital Accounting Financial Operations
Directorate	Finance and Performance
Purpose of Service	<p>The role of the Finance Service is to support all other Council services by delivering efficient and effective stewardship of Council funds by providing leadership and excellence in strategic and operational financial matters.</p> <p>Fulfilling this role will result in high quality financial services that are compliant with legislation and good practice and that facilitate managers achieving its corporate objectives.</p>
Key customers/ stakeholders and their needs	<p>Our key customers are Council Services, including CLT, HoST and SUMs. Other key stakeholders include Elected Members, staff, external customers, suppliers and our residents.</p> <p>Strategic needs include a need for a financial strategy, strategic financial information and advice and a proportionate internal financial control environment.</p> <p>Operational needs include the needs to pay staff, collect debts, pay suppliers and provide accurate, timely financial management information and advice and meeting statutory reporting deadlines.</p>
Context, challenges & key assumptions	<ol style="list-style-type: none"> 1. Covid-19 restrictions and the work at home arrangements will continue to provide some challenges to operations of the service. Once staff return to the office the challenge will be to maintain the paperless processes, video-conferencing and other digital progress made during the pandemic. There will then be a new challenge of managing a hybrid workforce. 2. Recruitment of staff to fill vacancies, given the current difficulties throughout the economy. Successful recruitment should improve capacity to develop skills in the use of spreadsheets, particularly for data analysis and modern reporting techniques, and to draft a new suite of finance policies. 3. Cultural change continues to be the most significant issue with the implementation of the new Core2 system. Further work is required on this during the incoming year. 4. The following assumptions have been made in the formulation of this plan: <ol style="list-style-type: none"> a. Home working arrangements will continue for the initial part of the financial year. b. The second wave of the new integrated Human Resources and Employee Payments software will go live in the first quarter of the year. c. The Strategic Transformation Programme and Estates Development Plan will gain momentum during the financial year, which will inform the estimates process for 2023/24.

Reflection on previous performance – successes and lessons learned

Performance year to date has been significantly affected by the Covid-19 pandemic.

- The Service continues to achieve virtually all statutory deadlines.
- The Service's performance in 2021/22 to date has been very positive. The percentage of suppliers paid within 30 days for the 2021/22 year has been 98%. Collection of centrally managed debts has improved considerably during in the second year of the pandemic to 80%. Employee payments continue to have high accuracy levels.
- In order to make progress with value added improvements and responsiveness to demands across the organisation. This will be achieved by:
 - Adding resources – recruitments planned for Q1
 - Developing skills –from Pride in Performance conversations
 - Delegating tasks –from Pride in Performance conversations and in line with skills development
 - Disciplined management – Plan, measure and manage
- This Service will adopt an Outcomes Based Accountability approach used in the Corporate Plan 2020-24 and will align with that document.

2. How does our Service contribute to community planning outcomes and PEOPLE priorities?

The *Finance Service* can be expected to have a direct impact on the following:

Community Planning Outcome	PEOPLE priority	Our focus for 2022/2023
All Outcomes	Excellence: To enable us to deliver the first five of our PEOPLE priorities we must be an effective, efficient and forward-thinking organisation. Excellence requires us to be innovative and partner with others to make sustainable choices that make a positive difference to everyone who has a stake in the Ards and North Down area.	To comply with statutory financial obligations
		To provide high quality and timely service
		To effectively engage with our customers in order to improve service delivery
		To promote the Council's 'Digital by Default' policy

3. Key activities for 2022/2023

SERVICE:	Finance		
Community Plan Outcome:	Supporting All Outcomes		
Corporate Plan PEOPLE priority(ies):	Excellence		
Council KPI(s):	% of suppliers paid within 30 calendar days of receipt		
Service Objective:	To comply with statutory financial obligations and in doing so provide a high quality, timely service that effectively engages with our customers in order to improve service delivery and promote the Council's 'Digital by Default' policy.		
What difference will it make?	<p>Demonstrate good financial governance engendering confidence in the Council</p> <p>Ensure competent and engaged staff engendering confidence in the Service</p> <p>Allow internal and external customers to plan effectively</p> <p>Creating efficiencies and improving value for money</p> <p>To improve collaboration, establish needs gaps and allow effective management and service improvement</p> <p>Create efficiencies and allow more value added activities to be undertaken to improve decision making</p>		
Underpinning strategies:	-		
Business as Usual activities we will deliver in 2022/2023 (actions)	Due Date	Lead Officer(s)	Who do we need to help us? (Internal/External partners)
Meet all statutory deadlines (HMRC, DfC, DoF, NILGOSC etc)	Ongoing	Corp / Perf / Cap / Ops Accountants	-
Pay Employees accurately & on time	Ongoing	Ops Acct	All Services
Collect centralised invoiced debts within 30 days	Ongoing	Ops Acct	-
Pay suppliers within 30 calendar days of receipt	Ongoing	Ops Acct	All Services
Issue capital and revenue budget reports in a timely fashion	Ongoing	Perf & Cap Accountants	-
Complete control account reconciliations in a timely fashion	Ongoing	Corp Acct	-

Attain 'Satisfactory' classification on Internal Audit Reports	March 2023	Head of Finance	-
Receive an unqualified external audit opinion	September 2022	Head of Finance	All Services
Invest time in team briefing, training, development and performance conversations	Ongoing	Head of Finance	Organisational Development & Communications and Marketing
Conduct a Customer Satisfaction Survey	September 2022	Head of Finance	CLT, HoST and SUMs

Service Development / Improvement

What service development/improvement will we undertake in 2022/2023?	Which of the specified aspects will this improve?	Rationale	Due Date	Lead Officer(s)	Who do we need to help us? (Internal/External partners)
Develop a range of Finance policies and procedures	Strategic Effectiveness	Standardise, modernise, streamline and document policy and procedures (including: Travel and Expenses, Employee Payments, Income Collection, Supplier Payments and Asset Management)	March 2023	Head of Service	CLT, HoST, SUMs
Improve Grant Payment processes	Efficiency Innovation	Introduce additional controls and improve information quality	March 2023	Operations Accountant & Suppliers Team Leader	Communities and Culture
Improve Burial Invoice processes	Efficiency Innovation	Improve efficiency and information quality	October 2022	Operations Accountant & Income Team Leader	Administration

What service development/improvement will we undertake in 2022/2023?	Which of the specified aspects will this improve?	Rationale	Due Date	Lead Officer(s)	Who do we need to help us? (Internal/External partners)
Update Fixed Asset Procedures	Strategic Effectiveness Efficiency	Standardise process and improve quality and timeliness of information	March 2023	Capital Accountant	SUMs
Improve Bank Reconciliation process	Efficiency	Improve efficiency	September 2022	Corporate Accountant	Finance SUMs and Team Leaders
Core Sign Off: Review of the current process as significant issues with monthly paid staff.	Strategic Effectiveness Efficiency	Improve information quality and efficiency	December 2022	Operations Accountant & Employee Team Leader	HoST and SUMs
Monthly and Weekly Payroll procedures - Update and enhance the current written procedures, including escalation processes.	Strategic Effectiveness Efficiency	Standardise and streamline processes	September 2022	Operations Accountant & Employee Team Leader	Human Resources and Organisational Development
Prepare a business case to replace financial management software	Strategic Effectiveness Efficiency Innovation	Current system near end of life, modernise interface, processes and reporting functionality	December 2022	Head of Service	Assets and Property Services & Waste Service
Consolidate month end process	Strategic Effectiveness Efficiency	Standardise, streamline and document processes to improve efficiency and co-ordination	September 2022	Performance Accountant	Finance SUMs, Team Leaders and Assistant Accountants
Improve supplier invoice handling processes	Strategic Effectiveness Efficiency	Streamline processes improving controls particularly around purchase orders and delivery notes	September 2022	Operations Accountant & Supplier Team Leader	SUMs

What service development/improvement will we undertake in 2022/2023?	Which of the specified aspects will this improve?	Rationale	Due Date	Lead Officer(s)	Who do we need to help us? (Internal/External partners)
Improve collaboration with Services regarding operational capital expenditure	Strategic Effectiveness	Improve information quality, flow and budget management	September 2022	Capital Accountant	Services
Improve collaboration with Services regarding revenue expenditure	Strategic Effectiveness	Improve information quality, flow and budget management	September 2022	Performance Accountant	Services
Introduce collaboration with Services in order to introduce VAT planning procedures	Strategic Effectiveness	Improve information quality, flow and co-ordination	March 2023	Corporate Accountant	Strategic Capital Development & Compliance
To increase usage of Finance Team site by internal customers	Strategic Effectiveness Service Quality	Improve availability of information to non-finance staff to allow them to self-serve	March 2023	Head of Service	Performance Improvement Unit & Communications and Marketing
Investigate the feasibility of moving network files to Sharepoint	Innovation	Improve collaboration within Service and with other services	September 2022	Head of Service	Data Protection Officer and Business Technology
Transfer DD Mandates to AUDDIS	Efficiency Innovation	Improve efficiency by digitising a paper-based system	March 2023	Operations Accountant & Income Team Leader	SUMs

SPECIFIED ASPECTS OF IMPROVEMENT	
What will this improve?	Definition
Strategic Effectiveness	<i>is key to linking the community plan, and the ongoing processes that underpin it, with a council's improvement processes. The Department would expect that a council's strategic community planning outcomes and objectives should be central to that council's improvement activity and clearly contribute to the strategic effectiveness aspect.</i>

SPECIFIED ASPECTS OF IMPROVEMENT

What will this improve?	Definition
Service Quality	<i>all relate to service provision by aiming to meet the needs of citizens and ensuring fair ease of access to the most suitable services that meet their needs. Clearly, all of these objectives can be demonstrated individually or collectively. Fairness can also be demonstrated by exercising non-service functions in ways which reduce disadvantage and improve social well-being, for instance by improving citizens' access to information or by addressing inequalities experienced by Section 75 groups.</i>
Service Availability	
Fairness	
Sustainability	<i>When carrying out its functions or providing services, a council may demonstrate improvement when it operates in a way that contributes towards the sustainability of its area, as required under the Northern Ireland (Miscellaneous Provisions) Act 2006 and the associated Northern Ireland Executive Sustainable Development Strategy. On-going efficiency may also be shown if fewer resources are utilised while maintaining provision of substantially similar or better services. Should a council choose to alter the manner by which a service is provided and in so doing it uses fewer resources or more integrated services, it will not only be demonstrating efficiency, but may demonstrate improved sustainability as well</i>
Efficiency	
Innovation	<i>any changes to service design and delivery methods that are intended to yield improvement under any other aspect and are reasonably likely to do so. This allows councils to make changes which may not have tangible effects within the same reporting year, but are likely to in subsequent years, and still count them as improvements.</i>

Service activities being stopped / changed:

What service / activities will we be stopping / changing in 2022/2023	Reason for stopping / changing activity	Savings	Impact on Performance	Impact on the Public	Impact on staffing
Improved forms will be published on the ANDi Team site at the beginning of the financial year	Standardisation of format, easier to use in remote working environment	Minimal	Improved efficiency	-	-

Performance Measures:

Performance Measures (should include those for the Business as Usual and Service Improvement actions outlined above and relevant measures from Community, Corporate and Statutory)	Is the measure Statutory, Corporate, Existing or New?	Reporting frequency	2016/17 Actual	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 To date	2022/23
% of statutory deadlines met	Existing	Qtly	100%	100%	100%	100%	100%	100%	100%
% employees paid accurately and on time	Existing	Qtly	-	-	99.9%	99.7%	99.7%	99.6%	100%
Reduce error rate for Core Monthly Timesheets	New	Qtly	-	-	-	-	-	-	2.5%
Reduce outstanding Core monthly sign offs	New	Qtly	-	-	-	-	-	41%	5%
% debtors payments received within 30 days	Existing	Qtly	77%	66%	72%	74%	46%	42%	75%
% debtors paying by direct debit	New	Qtly	-	-	-	-	-	-	x
% of suppliers paid within 30 calendar days of receipt	Existing	Qtly	82%	81%	89%	93%	96%	94%	95%
% Suppliers submitting electronic invoices	New	Qtly	-	-	-	-	-	-	x
Average days to issue capital and revenue budget reports	Existing (Amended)	Qtly	19	13	9	9	25	41	9
Average days to complete control reconciliations	Existing	Qtly	-	-	-	24	5	5	9

Performance Measures (should include those for the Business as Usual and Service Improvement actions outlined above and relevant measures from Community, Corporate and Statutory)	Is the measure Statutory, Corporate, Existing or New?	Reporting frequency	2016/17 Actual	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 To date	2022/23
Attain 'Satisfactory' classification on Internal Audit Reports	Existing	Qtly	100%	100%	100%	100%	100%	100%	100%
Receive an unqualified external audit opinion	Existing	Qtly	-	-	-	-	Yes	Yes	Yes
% Staff Attendance	Existing	Qtly	92%	84%	94%	97%	98%	98%	95%
% Spend against budget	Existing	Qtly	93%	97%	91%	96%	99%	99%	95%
% staff reporting regular receipt of team briefings	Existing	Qtly	-	-	87%	71%	-	72%	100%
Pride in Performance Conversations	Existing	Qtly	-	-	-	-	-	-	100%
Development of new Finance policies	Existing	Qtly	-	-	-	-	-	-	5
Implement development initiatives	New	Qtly	-	-	-	-	-	-	15

4. Risks

Ref:	Risk Description	Gross Risk			Current controls	Residual Risk			Risk Status	Further Action Required	Action Due by	Risk Owner
		I	L	R		I	L	R				
1.	Misuse of Accounting Systems leads to mis-statement of financial records (feeds into Corporate Risk 3)	4	5	20	<ul style="list-style-type: none"> Recruitment of staff with integrity Passwords Limited restriction of user processing rights Robust hierarchy of management and supervision 	2	2	4	Action	<ul style="list-style-type: none"> Review user processing and file maintenance rights 	March 2023	Head of Finance
2.	Failure of key financial controls leads to errors and/or fraudulent activity (feeds into Corporate Risk 3)	5	5	25	<ul style="list-style-type: none"> Recruitment of staff with integrity Segregation of duties Finance review and authorisation of payments Master Audit Report reviews Budgetary control process Bank reconciliations Participating in NFI Duplicate Invoices Report reviewed before each suppliers' payment run. Correction logs in place. Revised Supplier Payments Guidance emphasised the importance of maintaining internal controls 	3	2	6	Action	<ul style="list-style-type: none"> Development of procedures manuals Finance induction for appropriate staff Totalmobile training for users 	March 2023	Head of Finance
3.	Council does not maintain adequate financial reserves leads to financial instability	5	5	25	<ul style="list-style-type: none"> Projected revenue out-turn and Balance Sheet forecasting included in Estimates reports 	4	2	8	Tolerate			Head of Finance

Ref:	Risk Description	Gross Risk			Current controls	Residual Risk			Risk Status Tolerate / Action	Further Action Required	Action Due by	Risk Owner
		I	L	R		I	L	R				
	(feeds into Corporate Risk 3)				<ul style="list-style-type: none"> Benchmarking with other NI councils Chief Executive statement on adequacy of reserves at estimates Budgetary control reports Review at end of year Medium-Term Financial Strategy (including guiding principle on building up the General Fund balance) approved. Additional Support received for some losses from the NI Executive and HM Treasury Capital budget reporting 							
4.	Inadequate disaster recovery procedures lead to inability to process transactions (feeds into Corporate Risk 4)	4	3	12	<ul style="list-style-type: none"> Business Technology back-ups Use of Signal as a back-up processing location Systems redesigned to operate in home working environment Cloud based integrated HR-Employee Payments software 	3	1	3	Action	<ul style="list-style-type: none"> Finalise Business Impact Assessments 	September 2022	Head of Finance
5.	Failure to maintain adequate working capital and security of Treasury deposits leads to significant loss of reserves	5	3	15	<ul style="list-style-type: none"> Employment of skilled staff Contract with Treasury Management Advisors Maintain register of investments 	5	1	5	Action	<ul style="list-style-type: none"> Engage with Service Units regarding operational capital expenditure revenue 	September 2022	Capital Accountant and Performance Accountant

Ref:	Risk Description	Gross Risk			Current controls	Residual Risk			Risk Status Tolerate / Action	Further Action Required	Action Due by	Risk Owner
		I	L	R		I	L	R				
	(feeds into Corporate Risk 3)				<ul style="list-style-type: none"> Adhere to Treasury Management Strategy Statement Keep under regular review the short-term cash flow projections Keeping up to date with market changes – treasury management advisors 					expenditure in order to improve cash flow information sharing.		
6	Failure to plan for smooth modest district rate increases (feeds into Corporate Risk 3)	4	5	20	<ul style="list-style-type: none"> Council expectations Medium Term Financial Strategy Medium Term Financial Plan New business case templates based on Department of Finance proformas Business case training held and available on demand 	4	2	8	Action	<ul style="list-style-type: none"> Develop the use of business cases in Council decision making (addressing issues such as funding opportunities, VAT recovery and use of risk registers) Follow-up training Budgeting procedure to be developed 	February 2023	Head of Finance
7	Failure to properly implement new integrated	3	2	6	<ul style="list-style-type: none"> Project management system set up 	3	1	3	Action	<ul style="list-style-type: none"> Use of parallel runs to test 	May 2023	Head of Finance and

Ref:	Risk Description	Gross Risk			Current controls	Residual Risk			Risk Status Tolerate / Action	Further Action Required	Action Due by	Risk Owner
		I	L	R		I	L	R				
	HR & Employee Payments system (Core2) (feeds into Corporate Risk 15)				<ul style="list-style-type: none"> • Consultation with key stakeholders • Communicating with staff through Team Brief • Online training of Key Staff by provided by software vendor • Access to legacy systems • User Acceptance testing complete 					mileage processes		Corporate Accountant
8	Over-reliance on key individuals	4	4	16	<ul style="list-style-type: none"> • Four qualified accountants employed, each supported by assistant accountants 	4	3	12	Action	<ul style="list-style-type: none"> • Business cases approved for recruitment of further 2 accountants • Further reviews of structure as circumstances allow 	September 2022	Head of Finance

5. Resources

Are all actions resourced within the current (2022/23) budget plan? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>				
Will additional resources be required? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (If no please comment in Section A below how the actions will be funded, ie Staff Resources, Equipment, Revenue Budget, Capital Budget.) (If yes please detail additional resources in Section B below.)				
Section A:				
Section B:				
Staff: There are currently 2 accountant (created by recent business cases) and 1 finance officer vacancies within the service. It is planned to recruit these within quarter 1.				
Financial:				
	2021/22		2022/23	
	Budget £	FTE	Budget £	FTE
Totals	982,600	20.30	947,700	20.97
Other: -				
If the required additional resources are NOT available, please state:				
What is the likely impact on performance? -				
What is the likely impact on the public? -				
What is the likely impact on staffing? -				

6. Monitoring and Review

In adherence with corporate requirements, including quarterly reporting to Committee, Performance will also be discussed at regular manager meetings and staff workshops.

7. Conclusions

This plan provides focus for the service for the 2022/23 financial year.

8. Appendices

PESTLE Analysis

Political

- Council desire for transformation of services to improve efficiency and effectiveness and release resources for other purposes.

Economic

- Longer-term impact of Covid-19 pandemic communities and businesses.
- Long-term decline of non-domestic tax base.
- Restrictions on carrying central government funding between financial years.

Social

- Potential for significant homeworking arrangements following the pandemic.

Technological

- Implementation of new integrated employee payments and human resource software.
- Need for new financial software and reporting package.

Legal

- Non-domestic rating consultation.
- Potential update of Local Government Finance Act (NI) 2011 in respect of payments to Councillors.
- The main statutes that the Finance Service delivers its functions under are:
 - o Local Government Finance Act (NI) 2011 (LGFA)
 - o Rates (NI) Order 1977 (as amended) (RO)
 - o Rates Regulations (NI) 1997 (RR)
 - o Local Government (Accounts and Audit) Regulations (NI) 2015 (LGAAR)
 - o Local Government (Capital Finance and Accounting) Regulations (NI) 2011(LGCFAR)
 - o Local Government (Payment to Councillors) Regulations (NI) 2019
 - o HMRC PAYE and VAT Regulations
- There are a number of other codes with quasi-legal standing which the Council is obliged to comply with:
 - o CIPFA Code of Practice on Local Authority Accounting in the UK
 - o International Financial Reporting Standards
 - o CIPFA Prudential Code for Capital Finance
 - o CIPFA Code of Practice on Treasury Management
- In addition, the Council must comply with requests under the Freedom of Information Act, or from the Department for Communities.

Environmental

- Implications of Pathway to Sustainability initiative

SWOT Analysis

Strengths <ul style="list-style-type: none">• Knowledgeable and committed staff• Well respected by Members• Good quality core services• 10-year financial plan in place• Statutory financial accountability structures	Opportunities <ul style="list-style-type: none">• New Employee Payments software systems and business processes• Closer working with the Human Resources and Organisational Development Service• The transformation and efficiency agenda
Weaknesses <ul style="list-style-type: none">• Capacity to develop use of technology to improve efficiency (eg. spreadsheet skills and use of digital services)• Still using legacy policies and procedures• Unsuitable IT equipment for hybrid working	Threats <ul style="list-style-type: none">• Configuration of office space• Volume of work – particularly emerging from Covid-19 pandemic• Change fatigue