

WIRRAL COUNCIL – Improvement through better financial management survey

AUDIT: 2008/09

May 2009

Survey results.

Effective financial management is the lifeblood of service delivery. Good practice financial management establishes a set of financial policies and principles which provide a sound basis for maintaining the financial integrity of the Council over the medium term.

A key improvement objective for the Council is to strengthen its financial management arrangements to drive improvement and assist in achieving its key priorities.

The Audit Commission carried out a survey of financial management in March 2008 and set out below is the results of this survey. We have also produced a report to analyse the results of the survey and this is being taken forward by the Finance Department and reported to the Audit and Risk Management Committee and the Excellence Committee.

We would like to thank all those who took the time to participate in the survey.

Financial Management Survey Councillors

Please select your role(s) from the list below:

Cabinet	4
Audit and Risk Management	3
Overview and Scrutiny	18
Planning	7
Licensing	6
Standards	2
Employment and Appointments	2
Other	1

Which political party are you a member of?

Administration (Labour and Liberal Democrat)	18
Opposition (Conservative and Other)	6
Prefer not to disclose	2

Budget Setting

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't Know
I feel that my views are taken account of during the budget setting process	5	8	2	5	6	0
I understand how the budget is set based on the council's key priorities	6	12	3	3	2	0
I think that the council plans effectively show resources are allocated to different services and activities aligned with Council priorities	6	8	3	6	3	0
I understand how the budget takes account of key financial risks	5	12	4	3	0	1
I believe that there is public confidence that the council delivers value for money	1	3	4	11	7	0
I believe that the council effectively engages with local people, service users and the third sector which informs the budget setting process	2	8	2	6	8	0
I can see that the medium term financial plan (MTFP) is integrated with the Corporate Plan and provides an effective foundation for the annual budget	4	9	6	4	3	0
I am confident the Council has effective arrangements for reviewing and challenging budgets, with appropriate involvement of members	4	12	2	5	3	0

Please provide examples to support areas of budget setting where you consider the Council are strong.

4

Budget Monitoring

	Strongly agree	Agree	Neither agree not disagree	Disagree	Strongly disagree	Don't Know
--	----------------	-------	----------------------------	----------	-------------------	------------

I receive regular budget monitoring information to identify variances in spending and ensure savings are realised	8	13	4	0	1	0
Budget monitoring information keeps me adequately informed of the council's overall financial position	6	8	7	3	2	0
Budget monitoring information is provided in a format that I easily understand	6	10	6	3	1	0
I am kept informed of actions taken as a result of councillor involvement in budget monitoring	5	8	6	4	2	0
Timely and effective action is taken to address financial pressures which arise during the financial year	6	6	5	6	2	1
Decisions to change resource allocations are transparent and made in accordance with the rules	7	6	7	3	2	1
Financial and performance reporting is linked which makes monitoring more effective	5	8	7	5	0	1

Please provide examples to support areas of budget monitoring where you consider the Council are strong.

2

Financial Management is effectively linked to:	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't Know
Strategic decision making	5	13	2	4	1	0
Performance management	3	9	6	4	2	1
Governance	4	8	6	6	1	0
Risk management	4	11	6	4	0	0
Development of partnership working	4	8	8	4	0	1
Efficiency and VFM agenda	6	6	6	7	0	0

Financial Management	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't Know
I understand the framework of financial accountability throughout the council	2	16	3	4	1	0
I understand how the key financial risks impact on the council	4	16	3	3	0	0
I know when and how to access financial advice and receive a satisfactory service	4	13	1	6	2	0

My learning needs for financial management have been assessed and have been addressed with training or other support	7	5	6	5	3	0
There is a culture of effective financial management within the Council	5	8	3	5	5	0
The Council reviews the cost and performance of services, including Finance, and tests them against internal and external benchmarks to identify improvements?	2	12	4	5	2	1
The Council has a good understand of its cost drivers including unit cost, activity cost, and uses benchmarking and other performance measures to inform decision making and monitoring	2	11	5	3	1	3
There are consistent financial management policies to underpin sound and sustainable long-term finances	5	9	5	4	0	3
The MTFP ensures that adequate funding is available to support delivery of the Council's priorities, and takes into account the impact of the Council's sustainability development objectives	4	7	6	4	1	4
A joined-up/cross cutting approach is adopted for plans which is reflected in budgets and accountability	4	2	8	10	1	0

Please provide examples to support areas of financial management where you consider the Council are strong.

2

Finally, please list below the key areas for the Council to improve financial management.

5

Thank you for taking the time to complete this survey.

Financial Management Survey Budget Holders

Please select one or more of the following groups on which you reside:

Chief Officers Management Team Member	4
Senior Management Team Member	31
Cost Centre Manager	51
Other	12

Which service do you work for?

Corporate Services	9
Department of Law, HR and Asset Management	2
Adult Social Services	26
Children and Young People	15
Finance	20
Regeneration	18
Technical Services	6

Corporate and Financial Planning

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't Know
The Council's corporate plan clearly sets out the organisation's aims/objectives and priorities to provide a robust basis for allocation of resources.	21	63	11	0	0	2
The Council engages with local communities and other stakeholders, such as the third sector, as part of financial planning processes.	6	56	22	4	1	8
Financial and corporate planning processes are integrated and take into account the impact of activities and decisions on the Council's sustainable development objectives, which reflect contemporary thinking and guidance.	9	43	29	8	1	7

The medium term financial plan (MTFP) is consistent with the Council's aims and objectives and takes account of local and national priorities, including the Local Area Agreement (LAA).	13	49	19	1	0	15
The MTFP gives a clear direction for resources in my service area and helps to ensure resources are redirected in line with priorities, with budgets that are sustainable in the longer-term.	9	38	26	10	2	12
The MTFP and my department's service plan are clearly linked with new investment supported by outcome targets to measure the benefits of additional funding.	7	44	27	3	0	16
Performance and cost measures are used by the Executive and senior managers to indicate business areas where radical rethinking of delivery is necessary, where appropriate making use of benchmarking.	7	51	25	7	0	7
The council takes a medium-term approach to delivering savings rather than short-term expedients, such as pro rata cuts, which ensures my budget is sustainable and any impact on services is minimised.	4	42	26	17	4	4

Please provide examples for areas of corporate and financial planning where you consider the Council are strong.

14

Budget Setting	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't Know
The Council prepares its budgets in accordance with its corporate objectives, strategies and mediumterm financial plan.	15	61	13	2	0	6
I am satisfied with my involvement in the budget setting process for my service area.	17	39	15	24	1	1
I am aware how the budget allocated to me has been derived and what is included.	18	51	9	17	1	1
My service area is given adequate resources to deliver the required level of service to achieve the Council's objectives and priorities.	4	38	17	32	6	0

I feel that annual service planning and budget preparation is sufficiently integrated.	6	32	32	22	1	4
Cost reductions, growth and savings options are identified and supported with detailed plans which are reliably costed as part of the budget process.	5	30	30	18	4	10
Unit costs, activity costs, benchmarks and other financial performance measures are available to me and used to inform decisions to maintain or change current services.	7	37	26	19	4	4

Please provide examples to support areas of budget setting where you consider the Council are strong.

10

Financial Reporting and Monitoring

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't Know
Financial information is clearly presented, timely and comprehensive to the non-financial reader.	10	48	17	16	4	1
I receive budget monitoring reports during the financial year which provide reliable forecasts of projected outturn so I can take early action to address potential overspends.	26	54	10	4	3	0
The reports I receive make it easy for me to relate finance with performance and activity information.	13	42	22	17	3	0
As a budget holder I feel I have sufficient skills to interpret and challenge the financial information I receive.	15	56	7	10	7	1
I regularly reviews costs and performance and compare with internal or external benchmarks.	12	40	22	20	2	1
Value for money improvement outcomes within my service areas are reported upon.	14	42	22	13	2	4

Please provide examples to support areas of financial reporting and monitoring where you consider the Council are strong.

16

Competencies, Training and Performance Review

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't Know
Post holders who are responsible for resources are required to have specified financial competencies and these are reflected in individual job descriptions and personal specifications.	7	55	11	22	1	1
I am aware of my duties and effect I have on the good financial management of the Council.	39	57	1	0	0	0
I am assessed on the financial competencies for my job as part of the key issues exchange process for staff	10	37	21	24	2	3
Financial training needs are identified from staff inductions and appraisals or from service plans, and are addressed in a structured and timely manner with training outcomes evaluated.	5	39	29	19	5	0
The authority has provided effective financial training for my role as a budget holder.	6	41	23	21	6	0
Managers at all levels are held accountable for performance and financial outcomes.	12	53	15	14	0	3
Finance staff have appropriate skills and experience to support managers/budget holders in managing finance.	24	56	10	4	0	3
Finance staff understand the business they support and provide a satisfactory service.	19	48	19	7	1	3

Please provide examples to support areas where you consider the Council are strong on competencies, training and performance review.

9

Policies, Procedures and Guidance

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't Know
Financial policies and guidance are communicated to managers, widely understood and consistency applied.	5	54	27	7	2	2
The authority's financial regulations give me clear and comprehensive guidance on the financial procedures I should follow.	15	54	20	5	2	1

The organisation provides support, guidance and clear documentation to ensure that managers who are budget holders are aware of their responsibilities.	10	54	23	8	2	0
---	----	----	----	---	---	---

Please provide examples to support areas where you consider the Council are strong on policies, procedures and guidance.

11

Finally, please list below the key areas for the Council to improve financial management.

19

Thank you for taking the time to complete this survey.



Financial Management Survey Financial Staff

I work in the following area;	
Corporate Finance	1
	8
Finance Staff - Adult Services	5
Finance Staff - Children's Services	3
Finance Staff - Other	3

Corporate and Financial Planning						
	Strongly agree	Agree	Neither agree not disagree	Disagree	Strongly disagree	Don't Know
The Council's Corporate Plan clearly sets out the organisation's aims/objectives and priorities to provide a robust basis for allocation of resources.	5	20	4	1	0	1
The Council engages with local communities and other stakeholders, such as the third sector, as part of financial planning processes.	3	17	7	3	0	1
Financial and corporate planning processes are integrated and take into account the impact of activities and decisions on the Council's sustainable development objectives, which reflect contemporary thinking and guidance.	2	15	8	3	0	3
Finance staff are involved and influential in the organisation's strategic business planning.	5	13	9	2	0	1
The Medium Term Financial Plan (MTFP) is consistent with the Council's aims and objectives and takes account of local and national priorities, including the Local Area Agreement (LAA).	6	16	3	1	0	5

The MTFP gives a clear direction for allocation of resources to service areas and helps to ensure resources are redirected in line with priorities, with budgets that are sustainable in the longer term.	4	17	3	2	0	5
The MTFP and departmental service plans are clearly linked with new investment supported by outcome targets to measure the benefits of additional funding.	2	13	5	2	0	9
Performance and cost measures are used by the Executive and senior managers to indicate business areas where radical rethinking of delivery is necessary, where appropriate making use of benchmarking.	1	11	11	3	0	5
The council takes a medium-term approach to delivering savings rather than short-term expedients, such as pro-rata cuts, which ensures that budgets are sustainable and any impact on services is minimised.	2	13	8	5	2	1

Please provide examples for areas of corporate and financial planning where you consider the Council are strong.

4

Budget Setting	Strongly agree	Agree	Neither agree not disagree	Disagree	Strongly disagree	Don't Know
The Council prepares its budgets in accordance with its corporate objectives, strategies and medium term financial plan.	9	16	5	1	0	0
Service areas are given adequate resources to deliver the required level of service to achieve the Council's objectives and priorities.	0	9	12	9	0	1
Annual service planning and budget preparation is sufficiently integrated.	3	15	4	7	0	2
Cost reductions, growth and savings options are identified and supported with detailed plans which are reliably costed as part of the budget process.	0	14	10	5	1	1

Unit costs, activity costs, benchmarks and other financial performance measures are available and used to inform decisions to maintain or change current services.	2	8	10	5	1	5
--	---	---	----	---	---	---

Please provide examples for areas of budget setting where you consider the Council are strong

3

Financial Reporting and Monitoring

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't Know
Financial information is clearly presented, timely and comprehensive to the non-financial reader.	8	17	5	0	1	0
Budget monitoring reports are issued during the financial year which provide reliable forecasts of projected outturn so early action can be taken to address potential overspends.	14	14	2	1	0	0
Reporting arrangements make it easy to relate finance with performance and activity information.	3	16	6	4	0	2
Budget holders regularly review costs and performance and compare with internal or external benchmarks.	1	9	13	1	1	6
Value for money improvement outcomes within service areas are reported upon.	1	11	11	3	0	5

Please provide examples for areas of financial reporting and monitoring where you consider the Council are strong

5

Competencies, Training and Performance Review

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't Know
I am assessed on the financial competencies for my job as part of the key issues exchange process for staff.	8	15	2	4	0	2
Financial training needs are identified and are addressed in a structured and timely manner with training outcomes evaluated.	4	21	3	2	1	0

The organisation has a structured training scheme for finance qualification.	9	17	2	1	0	2
Finance staff are engaged in continuing professional development to keep skills up-to-date.	6	21	2	1	1	0
The organisation's workforce strategy includes succession planning measures to ensure that it attracts and retains sufficient good quality finance staff.	1	10	9	3	2	6
The finance specialism has sufficient status to attract high flyers and talent.	2	6	13	8	2	0
Finance staff understand the business areas they support and have appropriate skills and experience to effectively support managers/budget holders in managing finance.	10	18	1	2	0	0
Finance staff consider that managers have appropriate finance skills and experience to enable cost-effective delivery.	2	15	11	2	0	1
Managers at all levels are held accountable for performance and financial outcomes.	2	15	7	5	1	1
Technology frees finance staff from transaction processing to focus on their skilled professional contribution.	1	12	10	6	2	0
Qualified staff focus on challenge, interpretation and advice, rather than on extracting and reorganising information.	1	12	11	6	0	1
There are effective forums to enable finance staff located corporately and within business groups to network and exchange good practice.	1	10	9	7	1	3

Please provide examples to support areas where you consider the Council are strong on competencies, training and performance review.

5

Policies, Procedures and Guidance

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't Know
Financial policies and guidance are communicated to managers, widely understood and consistency applied.	2	13	11	2	0	3

The authority's financial regulations give clear and comprehensive guidance on the financial procedures that managers/budget holders should follow.	3	19	5	2	0	1
---	---	----	---	---	---	---

The organisation provides support, guidance and clear documentation to ensure that managers who are budget holders are aware of their responsibilities.	5	13	6	5	0	2
---	---	----	---	---	---	---

Please provide examples to support areas where you consider the Council are strong on policies, procedures and guidance.

2

Finally, please list below the key areas for the Council to improve financial management.

4

Thank you for taking the time to complete this survey.