

SERVICE PLAN – FINANCE SERVICES DIVISION

5. Corporate Key Tasks

Ref	Critical Success Factor	Finance Services Contribution	Target
B1	Implement new Departmental and Service Planning Framework	❖ Service Plans to be in place	Nov 2001
C1	Improve Morale	❖ Ensure feedback on team and individual performance provided to all staff within the Division on a regular basis.	April 2002
C2	Improve communication	❖ Ensure a system of regular team meetings for all staff within the Division ❖ Explore ways to involve staff in service planning	March 2002 March 2002
C4	Establish training and development plans for employees & members	❖ All staff within the Division to have a training & development plan	March 2002
D3	Consolidate Arrangements for sound financial management	❖ Implement proposals within Best Value Review – Financial Management & Control ❖ Implement new Financial Information System	March 2003 March 2003
D4	Develop Strategic Approach to procurement – Egan Principles	❖ Support corporate group to review procurement strategy incorporating Egan principles ❖ Implement new procurement strategy	Nov 2002 March 2003
E1	Implement Programme of Best Value Reviews	❖ All major services within the Division	Dec 02
E2	Develop Strategy to manage Business Risks	❖ Co ordinate the implementation of recommendations stemming from DA review of risk	July 02
E5	Establish Trading Accounts for relevant service areas	❖ Extend use of trading accounts – especially for CEC purposes	Sept 02
F4	Improve on current levels of customer satisfaction	❖ Input to production of monthly finance briefing and collection and monitoring of service indicators	Ongoing
G2	Implement Absence Management Policy	❖ Reduce overall level of absence within Division as a whole.	Ongoing
L2	Improve Performance	❖ Ensure monitoring of national indicators/targets	Ongoing
L3	Close the Accounts	❖ Prepare statement of accounts for approval within statutory deadline ❖ Secure unqualified opinion on the accounts	Aug 02
L6	Financial Strategy	❖ Keep financial strategy under review in the light of service plans	Dec 02 Ongoing

SERVICE PLAN – FINANCE SERVICES DIVISION

6. Service Key Tasks

<b>Task</b>	<b>Work and Developments proposed</b>	<b>Target</b>
<b>Revenue Budgets</b> implemented in accordance with statutory timescale	<ul style="list-style-type: none"> <li>❖ Enable greater public consultation via area meetings</li> <li>❖ Introduce new scrutiny arrangements</li> <li>❖ Review arrangements for prioritising revenue bids</li> <li>❖ Co-ordinate Base Budget process</li> <li>❖ Review allocation of CEC</li> </ul>	<ul style="list-style-type: none"> <li>Feb 02</li> <li>Mar 02</li> <li>Oct 02</li> <li>Nov 02</li> <li>Mar 02</li> </ul>
<b>Capital Budgets</b> implemented in accordance with statutory timescale	<ul style="list-style-type: none"> <li>❖ Agree process for prioritising capital bids</li> <li>❖ Co-ordinate the work of the Capital Working Group</li> </ul>	<ul style="list-style-type: none"> <li>Mar 02</li> <li>Ongoing</li> </ul>
<b>Closure of Accounts</b> in accordance with statutory timescales	<ul style="list-style-type: none"> <li>❖ Review existing action plan and produce new plan for closure of accounts</li> <li>❖ Deadline for closure of accounts</li> </ul>	<ul style="list-style-type: none"> <li>Feb 02</li> <li>Aug 02</li> </ul>
<b>Financial Strategy</b>	<ul style="list-style-type: none"> <li>❖ Look at ways of developing financial projections using information stemming from service plans</li> <li>❖ Provide support and advice on Supporting People, HRA Business Planning &amp; Rent Restructuring</li> </ul>	<ul style="list-style-type: none"> <li>Aug 02</li> <li>Ongoing</li> </ul>
<b>Capital Strategy</b>	<ul style="list-style-type: none"> <li>❖ Consult partners/stakeholders on prioritisation methods for capital schemes</li> <li>❖ Work with Corporate Property Manager to develop a disposal strategy</li> </ul>	<ul style="list-style-type: none"> <li>Sept 01</li> <li>Jan 02</li> </ul>
<b>Treasury Management Strategy statement</b>	<ul style="list-style-type: none"> <li>❖ Update capital strategy in accordance with national guidelines</li> <li>❖ Keep under review opportunities to reduce overall borrowing cost</li> </ul>	<ul style="list-style-type: none"> <li>July 02</li> <li>Ongoing</li> </ul>
<b>Creditor Payments</b> – achieve payments within statutory 30 day period.	<ul style="list-style-type: none"> <li>❖ Explore implementation of BACS payments for creditors</li> </ul>	<ul style="list-style-type: none"> <li>April 03</li> </ul>
<b>Payroll</b>	<ul style="list-style-type: none"> <li>❖ Support methods to reduce the number of weekly payments</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>
<b>Sundry Debtors</b>	<ul style="list-style-type: none"> <li>❖ Review arrangements for collecting sundry debts with a view to reducing the time taken to collect debts.</li> <li>❖ Review arrangements for writing-off bad debts</li> </ul>	<ul style="list-style-type: none"> <li>Dec 02</li> <li>Ongoing</li> </ul>

SERVICE PLAN – FINANCE SERVICES DIVISION

6. Service Key Tasks cont'd

Task	Work and Developments proposed	Target
VAT	❖ Produce VAT manual	April 02
Insurance	❖ Review level of buildings insurance and cover for emergencies/ disasters	Aug 02
Financial Monitoring	❖ Produce monthly finance briefing	Ongoing
	❖ Develop existing monitoring arrangements as set out in Best Value review for Financial Management & Control	Mar 02
	❖ Implement new Financial Information System	April 03

7. PERFORMANCE INDICATORS and TARGETS

7.1 Best Value Performance Indicators (BVPI's)

The Division is responsible for collating data for all financial BVPI's. In addition, it is specifically responsible for co-ordinating and reporting on 2 indicators and these are shown in Appendix 1.

7.2 Local Performance Indicators

Nationally, there are no specific targets for Finance Services. However, over the past year, the Division has been working with other Derbyshire authorities to develop performance indicators as an aid to benchmarking of Finance Services. The indicators currently being used are detailed in Appendix 1.

8. STAFFING STRUCTURE and WORK ORGANISATION

8.1 The Division is part of the Finance and IT Department; the Division's staffing structure is set out in Appendix 2. Much of the work undertaken within Finance Services relies on specialist staff. In view of the small size of individual teams, it is usually only 1 person who has the detailed and specialist knowledge available.

8.2 This can create problems when that expertise is lost permanently through staff turnover or indeed temporarily due to absence or sickness. However, this is overcome to some extent by rotating duties and by providing internal "teach ins" to provide cover support. The Division, as a support function, is also reliant on being able to work with staff across all Council Departments.

9. OTHER RESOURCES

Revenue Spending

9.1 The cost of the staff employed in the Division (including on-costs and overheads) is recorded in a separate cost centre (RNY). **The cash limit estimate for 2001/02 is £575,890** and comprises the following:

- Staff Costs            £423,280
- Supplies/Services   £ 11,750
- Central Support     £140,860

9.2 The expenditure is all recharged to other services and cost centres based on the amount of measured support provided.

9.3 In addition, the Division is responsible for monitoring other central expenditure. This is detailed in Appendix 3.

**Capital Spending**

- 9.4 The Division is not responsible for any assets contained in the Council's Asset Management Plan. However, the Capital Programme includes provision of **£100,000** for replacing the Financial Information System in 2002/03.

# APPENDIX 1

## FINANCE SERVICES DIVISION PERFORMANCE INDICATORS and TARGETS

### Best Value Performance Indicators

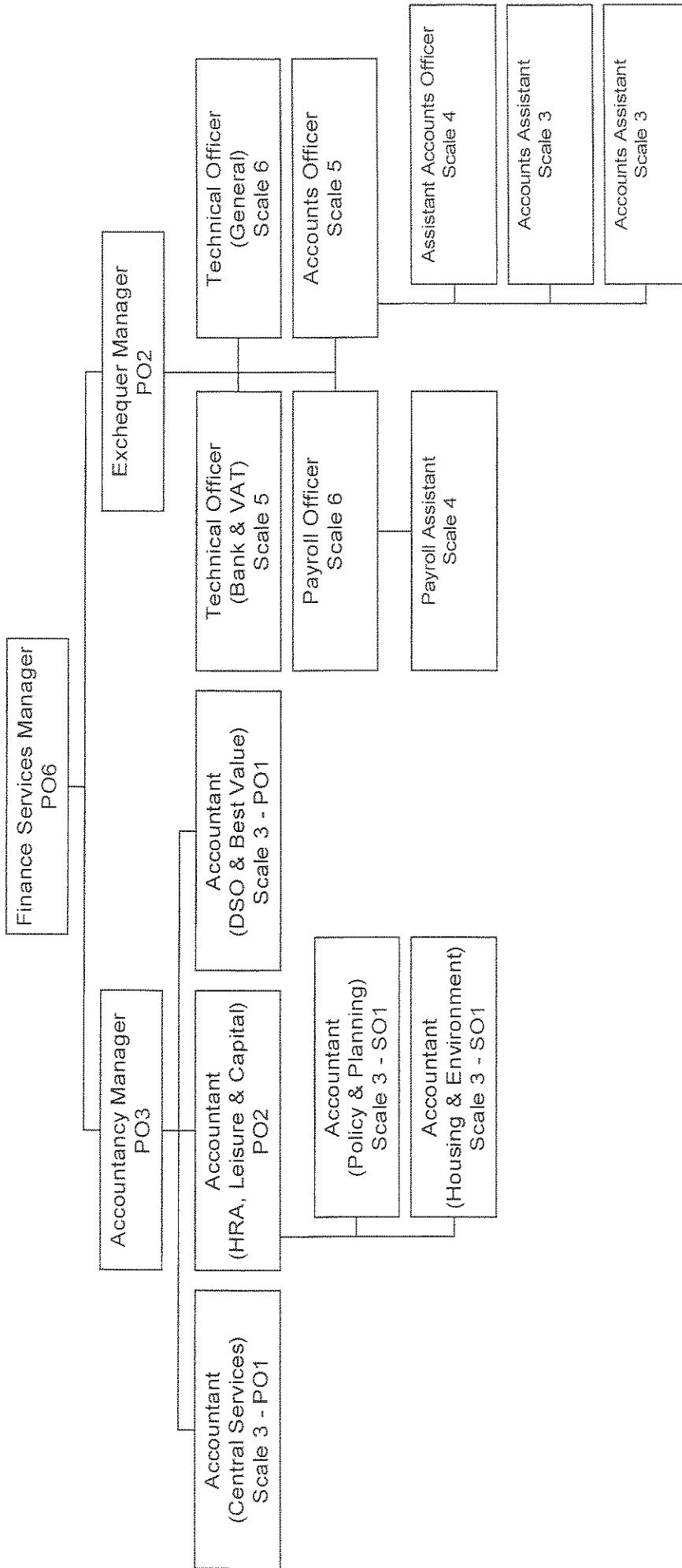
<u>Service</u>	<u>BVPI</u>	<u>Title</u>	<u>1999/00</u> <u>Actual</u>	<u>2000/01</u> <u>Actual</u>	<u>Target</u> <u>2001/02</u>	<u>Target</u> <u>2002/03</u>	<u>Top 25%</u> <u>of English</u> <u>Districts</u> <u>1999/00</u>	<u>Average</u> <u>Derbys</u> <u>Districts</u> <u>2000/01</u>
Corporate Health	8	The percentage of undisputed invoices for commercial goods and services which were paid by the Council within 30 days of such invoices being received by the Council.	79.00%	83.77%	97.50%	100.00%	91.56%	84.14%
		Government Target	95.00%	95.00%	97.50%	100.00%		
Corporate Health	A4	Total net spending per head of population (£:p)	82.84	88.23	n/a	n/a		

Note - this indicator is being withdrawn from 2001/02

**FINANCE SERVICES DIVISION  
PERFORMANCE INDICATORS and TARGETS**

<u>Local Performance Indicators</u>	<u>Service</u>	<u>Ref</u>	<u>Title</u>	<u>2000/01 Actual</u>	<u>Average of Derbyshire Authorities 2000/01</u>	<u>Ranking</u>
<u>Accountancy</u>	DAC01		Statement of Accounts Approval Date (Deadline 30th Sept)	20-9-01	Later	4/11
	DAC11		Number of critical comments by the External Auditor	None	None	n/a
	DAC12		Percentage of key financial returns completed within set deadline			
<u>Creditors</u>	DCR11		Unit cost of each creditor invoiced processed (£:p)	3.56	2.36	10/11
	DCR12		Average number of invoices processed by each employee	12,570	18,244	7/8
	DCR21		Percentage of key financial returns completed within set deadline	100.00%	88.00%	n/a
	DCR22		Percentage of payments made by electronic media	0.29%	34.18%	8/10
	DCR23		Percentage of manual payments	0.05%	1.43%	2/10
<u>Sundry Debtors</u>	DDR11		Unit cost of collecting for each debtor account raised (£:p)	12.90	5.76	9/9
	DDR21		Debtor days / average collection period (in days)	72	64	4/7
<u>Insurance</u>	DIN11		Total cost of insurance per 1,000 head of population (£)	2,110	3,565	2/11
	DIN12		Total cost of insurance as a percentage of the Gross Budget (£)	0.64%	0.71%	4/10
	DIN13		Average claims handling cost per insurance claim (£:p)	338.07	172.03	7/7
<u>Payroll</u>	DPY11		Unit cost per payslip produced (£)	8.32	4.19	10/10
	DPY12		Average number of payslips processed by each employee	8,042	11,917	5/7
	DPY13		Unit cost of payroll per employee (£)	169.32	96.74	11/11
	DPY21		Average number of payslips per employee	5.33	6.13	4/9
	DPY22		Percentage of payments made correctly and on-time	100.00%	99.81%	n/a
DPY23		Percentage of key financial returns completed within set deadline	100.00%	100.00%	n/a	
<u>Treasury Management</u>	DTM 11		Average rate of interest on all external borrowings	7.20%	7.73%	5/10
	DTM 12		Average rate of interest on all external investments	n/a	6.19%	n/a

FINANCE SERVICES  
ORGANISATION CHART





**FINANCE SERVICES DIVISION**  
**Other Budgets Currently Monitored**

<u>Code</u>	<u>Service</u>	<u>Total Expend</u>	<u>Total Income</u>	<u>Net</u>
		£	£	£
DG3	Housing Advances	1,310	-100	1,210
DG5	Housing Associations	67,830	0	67,830
KH3	Meals on Wheels	32,290	0	32,290
KN1	Concurrent Functions	223,520	0	223,520
CA3	Corporate Management	724,410	0	724,410
CA5	External Audit	58,690	-31,090	27,600
CA6	Treasury Management	101,740	-53,840	47,900
CA7	VAT Administration	7,690	-2,600	5,090
CA9	Unappotionable Overheads	4,920	0	4,920
CM1/2	Miscellaneous Finance	37,420	-45,960	-8,540
ED4	HRA - Rent, Rates, Taxes	21,660	0	21,660
ED7	HRA - Bad Debts Provision	30,000	0	30,000
EE1	HRA - Capital Financing	1,383,630	0	1,383,630
EE5	HRA - R.C.O.	165,540	0	
EQ3	HRA Subsidy	0	-1,571,660	-1,571,660
EQ5	HRA - Interest Receivable	0	-40,010	-40,010
RAY	C.O. Management Team	483,550	-483,550	0
SHE	Third Party Insurance	74,500	-74,500	0
<b>TOTALS</b>		<b>3,418,700</b>	<b>-2,303,310</b>	<b>949,850</b>

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**REVENUE DIVISION  
SERVICE PLAN 2002/03**

**1.0 SERVICE DESCRIPTION**

- 1.1 The Division is **responsible** for the collection and recovery of Council Tax and the National Non-Domestic Rate, the administration of the Housing and Council Tax Benefit Scheme along with the provision of remittance processing facilities and the administration of the Concessionary Fares Scheme.

There are almost 34,700 properties banded for Council Tax purposes.

In addition, there are almost 1,900 National Non-Domestic Rate properties.

Accounts are despatched to all liable persons and amendments are carried out to reflect the various discounts and exemptions which are available. The recovery of amounts outstanding is governed by a Code of Practice which includes action in the Magistrates' Court, the use of two firms of Bailiffs and the use of attachments of earnings or benefits.

The caseload for Housing and Council Tax Benefit claimants is 5,000. Of these, 2,200 also receive Rent Rebate (paid to Council Tenants) and 1,300 receive Rent Allowance (paid to private tenants and tenants of Registered Social Landlords).

Applications are received from claimants and each claim has to be reviewed on an on-going annual basis. Payment of Council Tax Benefit is made direct to the Council Tax account, whilst Rent Rebate is paid to the Rent Account and crossed cheques are issued in respect of Rent Allowance payments.

The division also carries out any necessary Fraud Investigations to ensure that benefits are paid only to those who have an entitlement.

The Cash Office in the Civic Offices provides a remittance processing centre for the authority dealing not only with personal callers but also with the processing and reconciliation of remittances received from other sources such as the Post Office and Banks.

The Division is responsible for the issuing of passes in connection with the Concessionary Fares Scheme. This scheme is a joint venture with Derbyshire County Council and the councils within the county, including Derby City. The scheme provides reduced fares for the elderly and certain disabled persons.

1.2 The service is provided to a wide range of external **customers**.

A Council Tax bill is sent to every household in the district and a National Non-Domestic Rate bill to every business. Some of the occupiers of domestic properties are benefit claimants and many payers use the cash office service, including those who wish to obtain a Concessionary Travel Permit.

1.3 **Statutory duties** include the collection of the Council Tax under the provision of the Local Government Finance Act, 1992 and the collection of the National Non-Domestic Rate under the provisions of the Local Government 1988. Housing and Council Tax Benefit is granted under the provisions of the Housing Benefit (General) Regulations, 1988 and the Council Tax Benefit (General) Regulations 1992 respectively along with a raft of supplementary regulations.

1.4 The Service is responsible for contributing to the following strategies

Strategy	*	Date Produced	Review Period	Next Review
Anti-fraud and corruption strategy -including the prosecution policy	D	March, 2001	2 Years	Mar 2003
Implementing E-Government (IEG) Statement	S	July, 2001	Annual	July, 2002

\* Denotes whether a plan is Statutory (S) or Discretionary (D)

1.5 In addition to the above strategies, the section has two codes of practice. These are:

- Recovery of Council Tax and National Non-Domestic Rate
- Recovery of Benefit Overpayments

## 2.0 PURPOSE

2.1 To provide an effective and efficient service to the Council in relation to Policy Development and Best Value.

2.2 The section has adopted the following Customer Service Pledge:

WE HOPE TO PROVIDE OUR CUSTOMERS WITH A HIGH LEVEL OF SERVICE AND AIM:

- To give you full and accurate information on Revenue and Benefit issues, whilst providing a value for money service
- To not keep you waiting more than 4 minutes during a personal visit to our office. (Payments and initial enquiries)

## Revenue Division

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- To deal with your enquiry during your visit to the office or to reply to you within 10 working days
- To answer your telephone call within five rings and provide a Direct Dial service
- To reply to your letters, applications for Discounts and Exemptions and Changes of Address within 10 working days
- To process your Benefit claim (when full information is provided) within 10 working days
- To find out the best way for you to pay your bills to the Council
- To offer information and advice when you have problems paying your bill
- To provide fully trained staff who can help you with your query or problem
- To provide and have available information about claiming discounts, exemptions and benefits and other Revenue Services
- To constantly review how we provide Revenue Services and find out how **you** want us to provide them as well as ask you how well you think we do
- To deal with any complaints following the procedure set out in the Council's Complaints Procedure
- To recognise that our staff are the critical factor in achieving success in the delivery of our service.
- To develop and maintain a highly motivated team of appropriately skilled people dedicated to excellence in the service we provide.
- To treat customers and each other with friendliness, courtesy and dignity.

### 3.0 OPPORTUNITIES AND CHALLENGES

3.1 The Government has introduced a range of new legislation and guidance that will have a significant impact on the Council. This is summarised below:

3.2 The **Corporate Related Challenges** are as follows:-

- **Community Planning** – this will create a greater focus on meeting the needs of customers and for our services to demonstrate that they achieve this. Best value and associated performance management indicators will increase the need to provide audited statistical information that demonstrates that this is being achieved.
- **E-government** – offers the opportunity and prospect of government funding to change the way we deliver services to our customers using IT. The government has recently begun consultation on the issues surrounding the production of electronic Council Tax and National Non-Domestic Rate bills.
- **Other ways of delivering services** – we need to be open to other ways of delivering services if this means lower costs and a better service. This could involve closer working/partnerships with other councils so that we can share knowledge and expertise.

3.3 The **service related challenges** are as follows:-

- **Replacement of Computer Systems** – the computer systems used in Revenue Services are now outdated and are in need of replacement. This will provide an opportunity to introduce modern, e-government compatible systems to enable the service to be delivered in an imaginative way.
- **Legislation Changes** – there are constant changes to the regulations governing the administration of the Housing and Council Tax Benefit scheme. These changes have to be introduced to strict timescales and have a direct impact on many claimants.
- **Verification Framework** – experience at other authorities shows that the introduction of the Benefit Verification Framework has a direct impact on the processing times. The verification framework involves the confirmation of identity and the verification of income and capital with key documentation in all cases. There is also a complex system of recording such actions. However, the framework is designed to prevent fraud entering the system and at the moment councils have discretion to decide whether to adopt this framework. There are proposals to allow authorities to implement the framework in a modular form.

- **New Fraud Initiative** – this will be introduced with effect from April, 2002 and changes the emphasis on the way that the rewards given to local authorities are calculated.
- **Preparation for the Benefit Fraud Inspectorate** – whilst an inspections has not been scheduled, the Inspectorate is likely to visit the authority soon. It is vital that we are best prepared for their rigorous inspection regime.
- **Preparation to extend joint working with other Councils** – A significant number of developments could take place in this area. These include the acquisition of new computer software, design of leaflets and forms and the sharing of expertise and workload between authorities.
- **Other changes** - The content and appearance of the Council Tax bill is to be amended in two stages. The first stage is due to be implemented on 1 April, 2002 and will involve showing the percentage increases for each body that makes up the total levy. The second stage will be introduced during the following financial year and could involve a dramatic redesign of the bill, including the statutory information to be shown.  
It is not likely that a “revaluation” of bands for Council Tax will take place before 1 April, 2007. The date on which this exercise will be based is April, 2005. The next non-domestic rate revaluation is due to come into effect on 1 April, 2005.

### Opportunities

3.3 The key opportunities that flow from the above challenges are as follows:-

- **A wider range of options** – the above challenges do bring opportunities to deliver services in a different and innovative way to benefit customers.
- **Greater flexibility across the Council to consider alternative methods of delivery** – a number of the challenges outlined above will require decision makers to consider and accept alternative ways of delivering services.

**4.0 BEST VALUE**

4.1 The tables below show how and when the services provided by this Division will be reviewed as part of the Best Value Process

**Completed Reviews**

Review Title	Completed	Services Covered
Cash Collection Services	January, 2001	Services in the Cash Office

**Reviews Underway**

Review Title	Completion Date	Services Covered
Finance Services (part of)	Sept. 2002	Revenue and Benefits

**Reviews to be commenced**

Review Title	Start Date (yr)	Services Covered
Concessionary Fares	*t.b.a.	Concessionary Pass Scheme

\*to be announced. This is a joint scheme with Derbyshire County Council, Derby City Council and the other Derbyshire districts. The review will either be part of that carried out by the County Council or be incorporated into the implementation plan of the Revenue and Benefits part of the Finance Services review.

4.2 The key issues stemming from the completed best value review (which was not inspected) are as follows:-

- **Introduction of Internet Payments** – after some initial problems encountered when the site was set up by Girobank, the service is now available.
- **Introduction of Debit/Credit Card Payments** – The service was introduced at the beginning of October, 2001 and includes ability to make payment at selected outlets throughout the Council as well as via the telephone.
- **Selling Postage Stamps** – this has proved to be a very popular service for cash office customers.
- **Increased publicity material in the Cash Office** – the appearance of the cash office has been enhanced by the redecoration of the public side and the introduction of display boards.
- **Investigate Joint Working with North West Leicestershire D.C.** – initial discussions identified the possibility of joint leaflet design and publicity. The situation will be reviewed following the launch of the Leicestershire County Council “Your Guide” scheme at post offices throughout the county.



## Revenue Division

### 5.0 KEY TASKS 2002/03

#### Corporate Key Tasks

Corporate Key Task	Action	Timescale	Key Aim
Implement new Service Planning Framework	Service Plan produced Report on Progress against plan	Nov. 2001	
Improve Morale	The issues covered in this action plan will improve the service that is offered to the customer, thus laying the foundations for a service staff members can be proud of. Replacement computer systems, once introduced, should give staff more control over the workload. They also incorporate "help screens" which will assist in training issues. Ensure feedback on team and individual performance provided to all staff within Revenues on a regular basis. Discuss with unit managers ways to provide more regular feedback in addition to the PDR process	Nov. 2001/ April 2002	
Improve Communication	The Best Value process has involved the staff in the shaping of the future of the service. It is anticipated that regular staff briefings will be reintroduced.	March 2002 Dec. 2001	
Establish training and development plans for employees	Arrange presentation to all revenue staff on service plan. Explore other ways to improve staff in service planning.	March 2002	
Develop and Implement the proposals for E-government	All staff within Revenue Services have a training and development plan. Revenue Services, with its large customer base, will be at the forefront of many of the developments that will take place as E-government is developed and introduced.	March 2002	
Implement Programme of Best Value Reviews	Revenue Services is part of the current Financial Services review	Dec. 2002	
Make full use of citizens panel	The citizens panel will be used as part of the Best Value process to ascertain customer satisfaction levels	June 2002	
Implement Absence Management Policy	This policy has been implemented within Revenue Services Investigate ways in which to reduce the level of absence	March 2002	

## Revenue Division

### Departmental Key Tasks

Departmental Key Task	Action	Timescale
Revenues & Benefits General	Maintain existing processing and recovery performance	Ongoing
Revenues & Benefits General	Issue and update publicity leaflets on services Keep up to date with new legislation/regulation affecting service	June, 2002 Ongoing
Revenues & Benefits System	Develop consortium arrangements for the replacement of the existing system Commission replacement revenues and benefits system	Throughout 2002/2003
Council Tax Billing – ensure prompt and accurate despatch of bills	Examine alternative methods of billing Implement new Government proposals	June, 2002 March, 2002 and March, 2003
Council Tax Recovery – maintain existing recovery rates and improve recovery of previous years debt	Further develop monitoring mechanisms Introduce telephone recovery Maintain existing recovery levels Provision of regular write-off lists	November 2001 Quarterly
Benefits Administration – maintain good processing times	Implement proposals stemming from Best Value Review	Ongoing
Benefit Fraud Inspectorate	Review existing benefits procedure in preparation for future B.F.I. visit	By March 2003
Benefit Fraud Investigation – prepare for changes in procedures.	Prepare half-yearly reports on work of team for review by Finance & Management Committee	From April, 2002
Cash Office – implement debit/credit card payments.	Extend debit and credit card payments across council services	By March, 2002
Concessionary Fares	Continue to process applications	Throughout the year

Ongoing Key Tasks

Service Key Task	Action	Timescale	Key Aim
Maintain Performance in all areas	The monitoring of national and local indicators is carried out on a weekly/monthly/quarterly/annual basis as appropriate	Ongoing	
Training and development plans for employees	Regular meetings to keep plans up to date	Quarterly	
Statistical Returns	Continue to complete all returns within agreed timescales	Ongoing	

## Revenue Division

### 6.0 PERFORMANCE INDICATORS AND TARGETS

#### Best Value Performance Indicators

6.1 The table below shows the Best Value Indicators that relate to the service provided within this division.

Best Value Indicator	Actual 99/2000	Actual 2000/01	Estimate 2001/2	Target 2002/3	Government Target 2004/5
9 – Percentage Council Tax Collected in year	99.01%	98.28%	98.30%	98.30%	98.20%
10 – Percentage NNDR collected in year	97.88%	98.90%	98.75%	98.75%	98.70%
76 – Fraud Strategy	New	YES	YES	YES	YES
77 – Cost of administration per benefit claim - weighted	New	£47.23	Not available	£52.00	-
78a - Average number of days to process new Benefit Claims	New	29 days	10 days	7 days	-
78b – Average number of days to process changes of circumstances	New	21 days	7 days	7 days	-
78c – Percentage of renewals processed on time	New	100%	100%	100%	-
79a – Accuracy of processing (correct calculations)	New	99.47%	97.00%	99.00%	-
79b – Accuracy of processing (percentage of overpayments received)	Unable	to	measure	due to	Software limitations

User Satisfaction Survey	2000/01 only		2000/01 only	2000/01 only	
80a – Facilities to get in touch with the office		83.41%			
80b – Service in the actual office		85.21%			
80c – Telephone service		84.17%			
80d – Staff in Benefit Office		81.48%			
80e – Clarify and understanding of forms		72.69%			
80f – Amount of time it took to inform claimant		75.03%			

## Revenue Division

### Local Performance Indicators

6.2 The table below shows the local indicators that the Division has developed to measure its performance.

Local Indicator	Estimate 2001/2	Target 2002/3
Average number of chargeable Council Tax dwellings per employee	2,700	2,700
Average number of chargeable NNDR properties per employee	1,125	1,125
Average time for paying new claims for Council Tax Benefit	10 days	7 days
Average time for paying new claims for Rent Rebate	9 days	7 days
Average time for paying new claims for Rent Allowance	10 days	7 days
Average time for processing changes of circumstances for Council Tax Benefit	6 days	6 days
Average time for processing changes of circumstances for Rent Rebate	6 days	6 days
Average time for processing changes of circumstances for Rent Allowance	9 days	6 days
Average number of claimants per employee	850	750
Percentage of claims not processed at the end of the year	2.63%	2.50%
Number of transactions processed per cashier (per annum) including electronic payments	19,078	19,500

## Revenue Division

### 7.0 STAFFING STRUCTURE AND WORK ORGANISATION

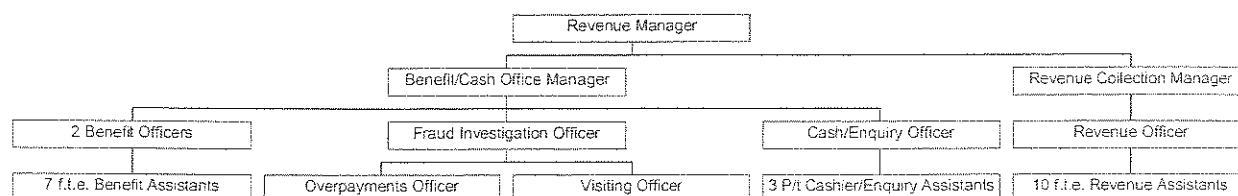
7.1 The Revenue Division is part of the Finance and I.T. Department.

7.2 The Division is managed by the Revenue Manager and is divided into two main sections as follows:

- ❖ Revenue Collection
- ❖ Benefits and Cash Office

7.3 An organisation chart is shown below:

#### Work organisation – Revenue Services



7.4 The total establishment is 33 members of staff with 12 being part-time filling 29 FTE positions.

7.5 The hours that the Cash Office is open to the public are reviewed frequently so as to be responsive to perceive requirements.

7.6 Links have been established with a number of agencies such as the Department for Works and Pensions, the CAB and the Valuation Office. Work is also undertaken for other Divisions such as income calculations for grants awarded by the Environmental Health Service.

## Revenue Division

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### 8.0 OTHER RESOURCES

#### Revenue Expenditure

The table below shows the committee spending controlled by the Manager of this Division.

Division	Gross Spending	Income	Net Spending
Total Committee Costs	£7,773,740	£6,012,650	£1,761,090

#### Central Departmental Costs – recharged to committees

The Council has a system of central establishment charges. This means that costs related to this division are charged first to a holding code and then recharged to committees. The table below summarises these costs which are controlled by the head of this division and then recharged to services.

Division	Gross Spending	Income	Net Spending
Total Central Support Costs	£934,330	-	£934,330





**Internal Audit**

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**INTERNAL AUDIT  
SERVICE PLAN 2002/03**

**1.0 SERVICE DESCRIPTION**

Internal Audit is an independent appraisal function established by the management of an organisation for the review of the internal control system as a service to the organisation. It objectively examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.

The Chief Finance Officer has a statutory responsibility to ensure that all reasonable steps are taken to prevent fraud and financial irregularity.

The Council's Elected Members look to the Chief Finance Officer for assurance that the integrity of the Council's financial transactions is not compromised.

Chief Officers also look for security and confidence that satisfactory audit reviews give them in the operation of their Services and Departments.

Internal Audit play a key role in this task by providing the Council with the reassurance that it needs that it has good systems of financial control which will help to prevent fraud and error.

There are also statutory reasons for the existence of Internal Audit.

**1.1 The Division is **responsible** for:-**

Reviewing core controls in key financial systems and across all other Council activities in line with the audit plan. Investigate fraud/financial irregularity. Enforce and keep under review financial regulations.

The service covers the whole field of controls and quality of data generated and is required to review, appraise and report on:-

- (1) The soundness, adequacy and application of accounting, financial, and other relevant controls.
- (2) The extent of compliance with established policies, plans and procedures.
- (3) The extent to which the Council's assets and interests are properly accounted for and safeguarded from losses of all kinds.

## Internal Audit

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- (4) The application of proper authorisations, within the delegated authorities, given by the various level of management.
- (5) The reliability of accounting and other data developed within the Council and proper co-ordination between departments.

The service undertakes a systematic programme of audits to provide the Council with assurance.

The work of Internal Audit is planned in advance to ensure that there is reasonable coverage of all Council activities. With the resources available it is not possible to cover all activities within one year and with the risk involved the resources to do this could not be justified.

The Internal Audit Service plans, over a four year period, to review all Council activities, although some key activities are looked at every year.

The plan now utilises a risk-based approach providing a more objective view of where Audit resources should be concentrated. An indices is used to assess the risk inherent within a system, this is based on criteria such as value, internal control, regulation etc. Although the principles are the same this is not the process which exposes "business risk" in the corporate sense. Risk Management is the method of identifying threats to the organisation as a whole. However the audit process can complement and assist this process.

The main areas of audit work covered by the Plan are as follows:-

- **Managed Audit** – this work involves reviewing the main financial systems of the Council to ensure that they provide adequate controls to protect against fraud and error. External Audit review and place reliance on this work when forming an opinion on the Council's accounts and overall control environment.
- **Planned Audits** – over a four year period the Internal Audit section will review all the Council's activities to ensure that they are undertaken with sufficient attention to financial procedures and regulations.
- **Specialist Audit work** – firstly computer audit recognises that most Council financial transactions rely heavily on computer systems and for that reason it is necessary to understand the controls within those systems to prevent fraud and error. Secondly, contract audit recognises that the Council relies on others to deliver a range of services and it is important that these contracts are properly regulated.

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- **Strategic Audit** – this covers work connected with Council strategies and procedures related to Internal Audit. As part of the new modernised structure, the Council will need to review Financial Regulations and Standing Orders. Internal Audit also has a role to play within Best Value – acting as a final critical friend for certain best value reviews to ensure that they have been carried out according to the agreed process and with sufficient vigour.
- **Management Audit** - the application of the three "E's" in the pursuit of value for money is inherent in all audit work. However, management reviews and in particular VFM audits are periodically undertaken. They may emanate from specific requests or from the audit plan itself. The reviews involve particular functions or facets of services and some take the form of an investigation, others are specifically value for money audits.
- **Fraud and Corruption** - there are two specific approaches adopted in this arena. Firstly every year a fraud and corruption audit is undertaken as part of the managed audit concept. This ascertains the level of anti-fraud and corruption controls in specific areas. Secondly irregularity (suspected or actual) is investigated.
- **Internal Check** - currently the Internal Audit section undertakes a number of routine duties. In many cases they provide the final check and balance before transactions can proceed. In parts this reflects the difficulty of providing adequate separation of duties within an organisation of our size.

1.2 The service is provided to a range of internal clients and certain external agencies.

Chief Finance Officer	Staff and Members
Chief Executive	District Audit - Managed Audit
Corporate Management Team	EMDA - SRB
Divisional Managers	Indirectly - the Public
Unit Managers	

## 1.3 Statutory duties

The requirement for an Internal Audit function for local authorities is implied by section 151 of the Local Government Act 1972, which requires that authorities "make arrangements for the proper administration of their financial affairs".

The Accounts and Audit Regulations 1996 (SI 1996/590), regulation 5, more specifically require that a "relevant body shall maintain an adequate and effective system of Internal Audit of their accounting records and control systems".

# Internal Audit

Internal Audit, in itself, is therefore a statutory function. The level of service provided is therefore substantially directed towards the financial responsibilities of the Council.

1.4 The Service is responsible for producing/contributing to the following strategies

Strategy	*	Date Produced	Review Period	Next Review
Anti-fraud and corruption strategy – including prosecution policy	D	Mar 2001	2 Years	Mar 2003
Financial Regulations	S	Dec 2001	3 Years	Dec 2004

*Denotes whether a plan is Statutory (S) or Discretionary (D)*

In addition to the above strategies the Internal Audit Service also produces an Audit Plan on an annual basis and contributes to other financial and IT strategies.

## 2.0 PURPOSE

2.1 To provide an effective and efficient service to the Council in relation to Policy Development and Best Value

The ultimate aim of the service is to add value to the Council and provide Members, management, staff and our partners with a quality service.

Specifically Internal Audit will:

- a. Provide management with assurances about the levels of internal control adopted both in quantity and quality terms.
- b. Confirm the reliability and integrity of information both operational as well as financial.
- c. Demonstrate compliance with policy and legislation and its subsequent application in the form of plans, procedures, orders, rules and regulations.
- d. Verify the Stewardship and safeguarding of public assets.
- e. Appraise the application of the three "E's" to the deployment of resources.

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- f. Determine if our operations are being undertaken as planned and our corporate objectives are being achieved.
- g. Recommend improvement in the management and/or operation of a service.
- h. Promote the application of technology to achieve continuous improvement.
- i. Improve Fraud and Corruption awareness.

To achieve success in delivering such a service it is important to appreciate that Internal Audit work both as a team but also as individuals. It is important to maintain a motivated team but also to develop skilled individuals who can communicate, from an informed platform, to all levels of management.

Internal Audit will appreciate the needs of their auditees and respect that we exist to serve them and will therefore endeavour to:

- a. Minimise disruption
- b. Utilise current technology to remotely audit where possible
- c. Apply discretion and flexibility in undertaking audit work
- d. Provide advice on managerial and control matters
- e. Attune to the needs of the auditee
- f. Promote audit awareness
- g. Treat auditees courteously

Internal Audit expects auditees to conform to financial procedures and provide assistance, information and explanations as required.

It is anticipated that in the future much of this section will be incorporated into an Audit Charter.

### 3.0 OPPORTUNITIES AND CHALLENGES

- 3.1 The Government has introduced a range of new legislation and guidance that will have a significant impact on the Council.

The challenges that affect Internal Audit as outline in the Corporate and Departmental plans are detailed below. This includes, in italics, how audit will assist in this process.

### 3.2 The Corporate Related Challenges are as follows:-

- **Community Planning** – this will create a greater focus on meeting the needs of customers and for our services to demonstrate that they achieve this. Best Value and associated performance management indicators will increase the need to provide audited statistical information that demonstrates that this is being achieved.

*Internal Audit will endeavour to meet the needs of its clients by advising on the way in which their services can become more customer-focussed. Ensuring that performance indication is based on like for like comparison.*

- **Corporate Governance** - the application of the Turnbull report to ensure all organisations have sound systems of control.

*Internal Audit will embrace the principles of corporate governance in all aspects of their work and will expand on their approach to ensure conformity to non-financial legislation.*

*New Financial procedures have been prepared.*

- **Council Finances** – the Council has limited resources. We need to make sure that they are used most effectively and appropriately by having sound systems to manage and monitor council finances. In addition we must ensure that administration is kept to a minimum so that resources are focussed on the delivery of services to the public.

*Internal Audit adopts the system based auditing approach and this is applied to the Council's financial systems to ensure their integrity. The Council lacks procedural and instruction manuals, many managers who have been charged with reversing this situation are looking to audit for assistance as audit system notes provide a sound base*

- **New Code of Audit Practice** – signals central government's continued commitment to securing the highest standards of probity within local government. This also links closely to the role of Internal Audit in helping to monitor the procedures in place within the council to achieve these high standards.

*The application of an Anti-Fraud and Corruption Strategy and the heightened awareness to fraud including the promotion of the audit service in this role contributes to achieving the standards required within the code. System auditing plays a major role in this process.*

- **E-government** – offers the opportunity and prospect of government funding to change the way we deliver services to our customers using IT. At the same time the targets for achieving e-government are extremely challenging.