

Audit Committee – 28 July 2023

Title of paper:	Finance Improvement Plan Update	
Corporate Director(s) / Director(s):	Ross Brown – Corporate Director of Finance and Resources (S151 Officer)	Wards affected: All
Author:	Shabana Kausar - Director of Finance and Deputy S151 Officer	
Other Colleagues who have provided input:	<ul style="list-style-type: none"> • Finance Team • Transformation Team 	
Does this report contain any information that is exempt from publication?		
Recommendation(s):		
1.	To note the progress to date on the Finance Improvement Plan and remediation controls project	

1. Reasons for recommendations

- 1.1 The purpose of this report is to provide the Audit Committee with an update on the Council’s Finance Improvement Plan (FIP) activity undertaken to end of June 2023 and its plans over the next 3 months (July to September) as the Council seeks to improve the financial landscape and move the overall Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Management assessment to a position of significant assurance.
- 1.2 The report incorporates an extract of the Financial Improvement Plan demonstrating some of the activities planned for completion by the end of July 2023.
- 1.3 The report also provides an update to the committee on the progress of the control’s remediation project undertaken as the Council’s response to the financial controls assessment finding reports to the Audit Committee in June 2023.

2. Background

- 2.1 The original Financial Improvement Plan (FIP) was presented to the Improvement Assurance Board (IAB) in January 2023, setting out a high-level plan established under 8 improvement themes:
- 1) Strengthening financial leadership.
 - 2) Improving the approach to managing and governing the capital programme.
 - 3) Enhancing financial systems to meet user needs.
 - 4) A well designed and robust system of internal financial control.
 - 5) Embedding professional accounting practice.
 - 6) Capacity building and training.
 - 7) Enhancing financial strategies.
 - 8) Understanding and effectively managing its finances (social care).

- 2.2 The FIP was mapped to the CIPFA Financial Management Code to establish how the financial control environment develops through the life of the FIP, with the outcomes from the FIP deliverables providing the professional standards expected of a council. This revised approach was presented to the IAB on 31 May 2023 reflecting the period under review and a prospective period to the end of July 2023.
- 2.3 It should be noted that the FIP is both dynamic and a comprehensive document that continues to reflect actions to address emerging risks and issues identified i.e., establishment control, spending controls and financial control assessment review and controls remediation.
- 2.4 Improvements to the Council's financial governance, financial management and control and reporting framework are at the heart of the Council's finance improvement agenda and are a high corporate priority for the Council. The organisation is starting from a very low base albeit it is starting to make demonstrable improvements that will have a positive and lasting impact on improving control and stewardship of its finances. However, it continues to face a number of fundamental challenges as it seeks to achieve wholesale improvement within a reasonable but ambitious timeframe. Given that financial management underpins the delivery of all services and enabling functions, the organisation is mindful of the fact that in establishing strong and robust financial management arrangements will require cross-cutting and deep-rooted cultural changes for all service areas.

3. Finance Improvement Plan (FIP) Overview

- 3.1 Over the period to the end of July 2023, work continues to be prioritised on improving the internal control environment, a theme that runs through all the above objectives. Any opportunity to implement improvements where possible in live business processes, whilst planning future improvements for implementation at the earliest opportunity, subject to available resources and system functionality and development constraints is also being taken.
- 3.2 All work activities are captured in detail within the FIP.
- 3.3 Appendix 1 provides an insight into the specific improvements delivered to date across the 8 improvement themes, whilst Appendix 2 provides key activities planned to be undertaken over the next 3 months to end of September 2023.
- 3.4 Work is continuing to be an ongoing and staged developments aimed at furthering the key financial controls improvements in relation to:
- a) Finalising the statutory accounts for 2019/20 – 2021/22 (paragraph 3.8)
 - b) Controlling and managing Journal activity and authorisations (paragraph 3.9)
 - c) Internal recharges and reallocations of spend (paragraph 3.10)
 - d) Grant management (paragraph 3.11)

- e) Continued development and roll out of Power BI dashboards (paragraph 3.12)
- f) Adult Social Care Financial Management (paragraph 3.13)
- g) Integrating transformation programme monitoring into business as usual (paragraph 3.14)
- h) Establishment Control (paragraph 3.15)

3.5 Below is an update to each of the key improvement areas noted above, illustrating how the earlier actions taken to date are being embedded and/or further developed across finance and into the wider organisation, where needed and the significant and positive change this is bringing about in how the Council is effectively managing its finances.

3.6 Interim finance project resource has now been appointed to programme manage the FIP

3.7 Finalising the statutory accounts for 2019/20 – 2021/22

3.7.1 The Council now has its draft 2019/20 Statutory Accounts ready for external audit certification and will have draft set of accounts for 2020/21 and 2021/22 ready for audit by September in line with the IAB instructions. A separate report on the progress is being presented to Audit Committee as this paper.

3.7.2 Steady, continuous progress is being made with all outstanding external audit issues and queries received from Grant Thornton in relation to 2019/20 statutory accounts have now been provided. This work was concluded late June, with the finance team focusing on 2020/21 statement of accounts. In line with expectations, the plan is to prepare a corrected 2020/21 draft Statement of Accounts, ready for audit when Grant Thornton commence work on that year. This will help facilitate resolving all known account issues before the end of September.

Audit Year	Target Completion Date	Draft Accounts Status as at 30 June 2023 ¹	RAG Rating
2019/20	30/06/2023	100%	Green
2020/21	31/07/2023	60%	Green
2021/22	30/09/2023	5%	Green

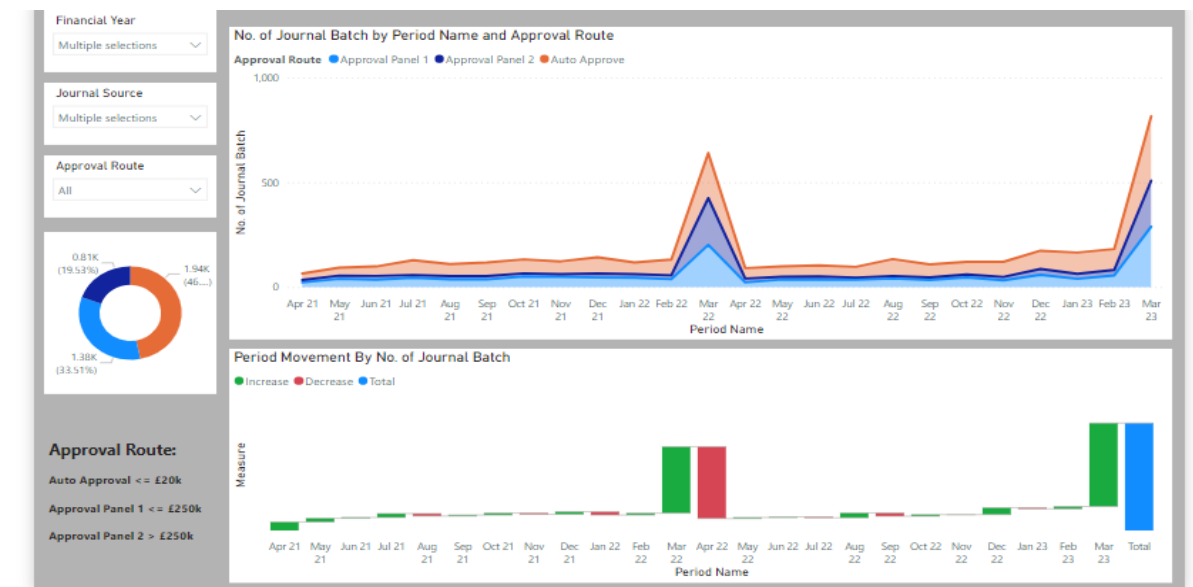
¹ including adjustments for all known outstanding matters

3.7.3 Additional team members have joined the accounts technical team during June to give additional capacity and enable progress to continue with later years whilst the team also respond to 'live' audit queries.

3.8 Journal Management

3.8.1 A robust internal control and reporting framework has been designed and implemented for managing journals that fundamentally and fully addresses the legacy control issues identified and enables management to have a clear oversight into ongoing journal activity.

- 3.8.2 East Midlands Shared Service (EMSS) and Mastek (the Oracle Managed Service Provider) are currently testing the required system changes to the Council’s journal authorisation rules, which will be introducing an in-system authorisation workflow for all journals with control totals in excess of £20,000. Currently all journals submitted by non-finance staff are being authorised within the Firmstep system by Finance staff before being uploaded to Oracle Fusion.
- 3.8.3 To support the new workflow/authorisation process, a business intelligence dashboard has been built to provide management insight and analysis on journal activity and thresholds. Additional functionality has enabled finance to ‘spotlight’ any issues regarding the recurrent and significant need for payroll correction journals. The dashboard has confirmed finance officer intelligence that there are payroll costing issues that need addressing. Work is on-going with HR and EMSS colleagues to identify the root-cause analysis so that demand failure activities can be mitigated freeing up significant finite staff resourcing time, for example, in 2022/23 over 22,000 payroll correction journal lines were raised by finance staff, totalling £13.4m.



3.9 Internal Recharges

- 3.9.1 A fundamental, deep-dive aligned to a pausing of all recharging activity has facilitated the design and development of a new, holistic control framework for managing, accounting for and reporting recharges.
- 3.9.2 Good progress has been made to date with this project, with all transactions for 2022/23 reviewed to understand the context of the recharge activity and following implemented:
- Recharges to the HRA in 2022/23 have been fully reviewed and sufficient evidence-based assurance has been provided to the Corporate Director of Finance and Resources enabling the recharges to be signed off.

- Some cost reallocation processes have been reviewed and changed (e.g., agency staff).

3.9.3 Following an initial data capture, additional recharges have been identified through the detailed tests, leading to widening of the original scope and expanding the implementation deadline of end of July. A flowchart and master list for future control of recharges is in development, and implementation during August is still on track.

3.9.4 A defined subset of the recharges improvement project, is a review of the process for capitalisation of staffing and other indirect costs to projects. This review has also considered the accounting arrangements to ensure alignment with extant accounting standards. Set out below are the findings of this review, reported to the Director of Finance:

- The process for raising, managing and controlling recharges needs to be strengthened to ensure there is a more standardised approach that is systems-based e.g., using Oracle Fusion Projects Time and Labour (OTL) Module. The Oracle Projects Module Review has recommended OTL should be used for all capitalisation. To support this recommendation, new templates are being designed to aid compliance.
- Discontinued use of Recharge Project, which bypasses cost centre managers' processes, removal of non-active projects to reduce the number of project codes and to explore the customisation of Oracle Projects Module and PBCS to stop offline budget monitoring and enable reporting within the system (see Appendix 1 – FIP theme 2).
- 2022/23 capital recharge transactions, primarily relating to highways spend were reviewed and assessed against professional capital accounting standards leading to corrective action being undertaken and processed for the reported 2022/23 provisional outturn. Further work is underway to review impact on previous accounting years with this to be concluded at the sametime as the production of draft accounts as set out above. In parallel, work is also planned on assessing the impact of these changes in the current year with the respective service areas.

3.10 **Grants Management**

3.10.1 There is now a corporate control, accounting and recording framework for grants into the Council that is embedded through finance into each directorate.

3.10.2 A lead officer has been identified from each of the Finance Business Partnering team who has worked with Technical Finance team to finalise the grants register for 2022/23 and update the register for 2023/24. This group of officers is meeting regularly to discuss issues identified and share best practice, with a view to continue to meet quarterly as the work transfers to a business-as-usual phase. In addition, guidance notes for budget managers are being circulated and the provisional guidance issued to the finance team in December 2022 is being updated.

3.11 Development of Power BI dashboards

3.11.1 The Power BI dashboards are being developed to enable council's leadership and senior managers to have the financial information tools to allow oversight and insight into resource allocation decisions and the effectiveness and efficiency of financial processes and controls

3.11.2 The ongoing development and build of Power BI Dashboards is progressing with the 1 FTE aligned to this element of the FIP.

3.11.3 A series of dashboards have been developed by the Finance team, two of which have been rolled out and are listed below:

- Budget Manager - updated based on the PWC version used in 2022/23
- Spending Controls - to provide insight into spending activities and profiles across specified subjective codes designated as non-essential spend

3.11.4 A detailed plan for rolling out the following dashboards including the provision of training and user guides is currently being formulated.

- Revenue Budget and Reserves
- Accounts Payable / Procurement including purchase card activity
- Accounts Receivable providing a single view of customer debt
- Journal activity and control providing an analysis of activity, compliance and demand failure
- Revenue Budget cost centre and subjective variance analysis across financial years

3.11.5 These dashboards are starting to attract interest from other local authorities, including Leicestershire County Council who also have similar but unsatisfied information needs. The EMSS stakeholders in June formed a new Fusion Owners Group who will look to champion information reporting as a workstream aligned to the new ERP Analytics functionality.

3.11.6 There is now an opportunity to supplement and enhance the dashboards through the provision of an ERP Analytics module within Fusion Financials which is part of the Oracle re-licensing contract, which the EMSS partnership will consider through the newly formed Fusion Owners Group. The module is particularly focused on identifying process bottlenecks and "pinch points" aimed at system owners/managers to put in place corrective control and efficiency actions.

3.12 Understanding and Effectively Financial Management - Adult Social Care

3.12.1 A number of reports identifying weaknesses in Adult Social Care (ASC) commitment recording and budget monitoring processes have previously been presented to Corporate Leadership Team (CLT) along with an action

plan to address the issues highlighted. Actions relating to improvement of ASC financial management formed part of the FIP.

3.12.2 The ASC Finance Business Partnering team have led on and implemented the following activities making a significant progress against FIP as summarised below with further details set out in in Appendix 1 (theme 8):

- Base budget review and 2023/24 budget realignment based on activity supporting transparent budgets that reflect the latest activity.
- Oracle coding structure/management reporting hierarchy revised and implemented to support more granular level reporting.
- Revised financial reporting and monitoring processes (linked to the above change), to allow transparent coding in Oracle and removing the need to hold detail workarounds off system commitment statement/spreadsheet, supporting the single version of the truth principle.
- 4 year reconciliation of ASC care system (ContrOCC) to Oracle completed (care package commitments vs actual values paid). Approach agreed with Grant Thornton and prior year accrual adjustments made where required.

3.12.3 Due to a significant movement in the reported budget variance between 2022/23 provisional outturn and previously reported in-year forecast, a subsequent report was presented to CLT, agreeing to establish an Oversight Board to monitor delivery of the ASC improvement plan. The board is jointly overseen by the Corporate Director of Finance and Resources (S151 Officer) and the Corporate Director for People.

3.12.4 As agreed with the Oversight Board the service held series of workshops to map current data and process issues linked to ContrOCC and interfaces with Oracle and identify key actions to be progressed. The first joint workshop was held in early June represented by colleagues from Finance, ASC service and wider support service colleagues (Commissioning, Analysis and Insight, Transformation etc) with additional service specific workshops held thereafter. The outcome of these workshops was reported to CLT in early July, alongside an ASC improvement plan, currently being reviewed to ensure alignment with the FIP.

3.12.5 Additional resource is being identified to support the delivery of the ASC improvement plan activities. The FIP activities with regards to this area are dependent on the successful and timely delivery of the ASC improvement plan, led and owned by the service.

3.13 **Integrating Transformation Programme Financial Management into Business as Usual**

3.13.1 Integrating transformation programme finances into mainstream financial control and reporting processes has already enabled the Council to have an enhanced grip on the programme and its implications for the Medium-Term Financial Plan (MTFP). Furthermore, a newly established Transformation Oversight Board will meet regularly to be updated on transformation

progress and ensure that the programme delivers on its objectives and outcomes. The first Board is expected to meet summer 2023.

- 3.13.2 The transformation programme is now in its second year of delivery with MTFP gross savings to be delivered in 2023/24 of £15.671m in addition to the 2022/23 gross savings of £1.765m. Each programme is in various stages of programme management from overview business case development for some of the new savings through to implementation, delivery, and handover to business as usual. The FIP identified actions to ensure that the finance team works effectively with the transformation programme to integrate the financial management and control required to provide senior leadership with a timely insight into the critical financials, both investment and savings being delivered.
- 3.13.3 Since early May, there has been a productive transition and handover from the previous incumbent to fully understand the transformation programme for investment and savings to ensure continuity for financial support, advice, and control. A key part of integrating the financial management and control has been the provision and agreement of a finance transformation “strawman” which is now to be implemented has been agreed and currently being implemented. Appendix 3 provides an overview of the strawman financial assurance activity. Existing governance and decisions as well as all investment to support ongoing management including allocation of funds have now been consolidated into one master reference document.
- 3.13.4 Meetings with the finance team strategic finance business partners and programme leads are in place for financial reporting and forecasting including risk and issue management and resolution. Work is continues developing benefit realisation methodologies to ensure that each programme delivers their savings and other outcomes, including any that are currently at risk of under delivery. The finance transformation lead also attends the relevant programme boards currently established to provide check and challenge through a critical friend model and to support and act as the liaison back to the Finance Business Partnering team.
- 3.13.5 A clear central record of targeted savings, linked to the annual budget and medium-term financial plan is in place and will be used to track savings (to be updated in the corporate savings tracker) and support the next budget setting / MTFP process which is already underway.

3.14 **Establishment Control**

- 3.14.1 The Management of staffing establishments is a fundamental management control for the Council. Having robust mechanisms that facilitate the provision of effective and accurate establishment data for reporting at a statutory and organisational level is of paramount importance. Findings of initial review undertaken by PWC LLP over 6 month to end of last financial year found the need for establishing a single version of the truth through establishment of robust control framework.

3.14.2 Following agreement with CLT an Establishment Control project has been established led by the Director of HR and EDI. The project is a key activity in supporting delivery of the HR improvement Plan and aligns to the FIP. There are 4 mutually exclusive workstreams to this project:

- 1) Rollout a baseline reconciliation of Fusion HCM across all directorates.
- 2) Implement the data HR hierarchy to provide a single view of the establishment.
- 3) Implement a monthly process for payroll control and sign off.
- 4) Develop and roll out an establishment control dashboard for budget holders to review and sign off.

3.14.3 The main priority focus is Workstream 1, which follows on from the pilot work done in Community, Environment and Resident Services directorate (in February 2023) to reconcile headcount and to provide a single version of truth in Fusion HCM, the standing HR and payroll record of the Council. PWC LLP have been commissioned for a 12-week period to provide an assessment of the design and operation of the internal controls for managing the establishment across all directorates. A revised Project Plan and Playbook have been made available and agreed with both HR/Finance colleagues. Weekly Stand-Up meetings have been diarised with all key stakeholders, including Transformation to ensure alignment of outcomes with monthly formal reporting into CLT. The 12-week plan is now supported by two resources from the Change Academy and is currently on track to be completed by end of September 2023.

3.14.4 Alongside this workstream the finance team have undertaken the following activities that contribute to improving financial management and controls:

- a) Actively reviewing the financial reporting hierarchy in Fusion to ensure alignment with the organisational management hierarchy. Mapping work is underway and expected to be completed in July.
- b) Payroll control environment review managed by EMSS
 - Requirement of corporate template for providing the S151 officer with the necessary assurances for releasing the payroll for BACS transmission.
 - A proposal for strengthening the control environment for managing, reviewing and reporting future payroll control account reconciliations aligned to the finance service redesign.

4. Financial Oversight and Governance

4.1 Financial Resilience and Sustainability

4.1.1 There is a continued imperative to ensure the council maintains a credible medium term financial strategy that addresses IAB instructions with regard to demonstrating Best Value. Consequently, the successful development and delivery of the forthcoming MTFP process is critical. To this end the Director of Finance working with the Corporate Director of Finance and Resources

and in consultation with CLT have formulated and presented 2024/25 Budget Strategy approach & MTFP to the Executive Board in July 2023.

4.1.2 As part of the FIP it has been important to reconsider the capacity for both finance and budget holders in preparing the in-year financial monitoring reports. In line with the recently agreed timetable the first bi-monthly forecasting report has been presented to the Executive Board in June 2023.

4.2 **CLT Oversight and Governance**

4.2.1 Alongside the specific areas of improvement in the control environment domain, CLT continues to seek routine oversight on key control and financial process and timetables. Papers received and actioned upon advice of the Councils S151 Officer include:

- Establishment control (see paragraph 3.14)
- Financial controls remediation (see section 5)
- 2023/24 Period 2 financial monitoring in accordance with the management timetable (as reported to Executive Board in June 2023)
- Release of spending control workbooks and dashboard (including user guidance) for completion by Directors for collation and reporting into CLT

4.2.2 Taken together, these pieces of work are all focused on improving the council's financial resilience and sustainability. When fully delivered, the Council will undoubtedly see a positive shift in the control (grip) it has over its finances and how they are routinely managed. This will undoubtedly provide sufficient and positive assurance that the Council has robust and "adequate" financial management arrangements.

5. **Financial Controls Remediation Project**

5.1 **Background**

5.1.1 As reported to Audit Committee in June 2023, a remediation project has been scoped and EY (Ernst & Young) commissioned to deliver a 12-week focused controls remediation response. The project commenced 12 June 2023 and is currently on track.

5.1.2 Phase 1 of the remediation work will ensure the Council has the essential basics in place, although it is anticipated further investment in systems will be required to provide the most effective control environment where the system will deliver record actions and the supporting evidence required for each financial transaction.

5.1.3 As set out in the Financial Controls Assessment report to Audit Committee meeting in June 2023, to mitigate the risks caused by the weakened control environment, immediate interventions are required. The first step involves the rapid assessment and remediation of ten specific control issue areas.

5.1.4 The following principles have been adopted to ensure there is synergy with the transformative focus being delivered within the FIP and empower officers from the Council to take ownership of control improvements going forward:

- Ensuring that the objectives and targets for both process design and key control design are validated against the FIP, to ensure work is additive and duplication avoided.
- Identifying Business Process Owners, and key Finance roles responsible for implementing and monitoring controls, strengthening job role and functions developed through the FIP programme.
- That a collaborative approach is adopted with the FIP programme leads, and regular touchpoints to ensure shared awareness and amplification of the respective work programmes within Finance, and with the service.

5.1.5 The approach is to work through the steps identified below:

- Step 1 – Rapid intervention on identified issues within areas in scope
- Step 2 – NCC and Group Wide Controls Health Check
- Step 3 – Implement newly scoped controls across the group
- Step 4 – Establishing Grip Report

5.2 Project Overview

5.2.1 The table below sets out the ten areas in scope of the remediation project grouped into three themes.

Core Financial Process	Organisation Wide Process	Financial Systems
1. Grant Receive to Record	5. Procurement Process	8. System Reporting
2. Purchase to Pay	6. Service Recharges	9. Segregation of Certain Financial Activities
3. Record to Report	7. HR and Expenses Process	10. Systems Access
4. Goods Receipting		

5.2.2 Weekly project checkpoint meetings with EY are being held with additional meetings held with the Corporate Director Finance and Resources to provide progress and seek decisions at relevant milestones to ensure the control environment is improved at pace. Subject to any additional findings identified through Phase 1 of the remediations work, the improvements to the control environment are expected to provide the assurances required by the S151 officer to discharge their statutory responsibilities.

5.3 Progress Update

5.3.1 To date good progress has been made with 86% of controls agreed of which 3% implemented. Table below provides a summary of the progress against each control theme.

Remediation Control Themes and specific areas		Controls Agreed and Implemented	Controls Agreed not yet implemented	Controls not yet designed	Total	
Core Financial Process	1. Grant Receive to Record	0	1	2	3	
	2. Purchase to Pay	0	3	1	4	
	3. Record to Report	1	6	0	7	
	4. Goods Receipting	0	2	1	3	
Organisation Wide Process	5. Procurement Process	0	4	1	5	
	6. Service Recharges	0	3	0	3	
	7. HR and Expenses Process	0	3	0	3	
Financial Systems	8. System Reporting	0	4	0	4	
	9. Segregation of Certain Financial Activities	0	3	0	3	
	10. Systems Access	0	2	0	2	
Total		No	1	31	5	37
		%	3%	84%	14%	100%

5.3.2 EY and council staff are prioritising tasks for implementation, reflecting capacity with a view to having these implemented between August and September 2023.

5.3.3 Also, over the coming weeks EY and the finance team will map the identified remediation control project outcomes to FIP deliverables. Some areas are challenging to implement interim measures for because they require a significant overhaul of systems for the Council to meet statutory requirements. However, it is important these are identified and closed in the next phase of the remediation works.

6. Financial Implications

6.1 The Local Government Act 1972, requires the Council to make arrangements for the proper administration of their financial affairs and shall secure one of their officers with the responsibility for the administration of those affairs.

6.2 The S151 officer has a Financial Improvement Plan in place which has been refreshed to demonstrate how CIPFA's Excellence in Finance model will be

implemented over the lifetime of the plan, giving the council the assurance, it requires in relation to this statutory duty.

- 6.3 It is important to note that the FIP is an evolving document and will be continuously updated and expanded to reflect outcome of particular pieces of work such as the remediation control project, establishment control, which may require additional resources.

7. Legal Comments

- 7.1 There are no legal implications to be noted at this stage.

8. Commercial and Procurement Comments

- 8.1 There are no implications with regards to procurement contained within this report.

9. HR and EDI Considerations:

- 9.1 There are no implications with regards to HR and EDI contained within this report.

10. Risk Management Considerations

- 10.1 Combination of staffing capacity across Finance and the weakened control environment poses significant risk in our processes and therefore will need to be reflected accordingly in our risk register.

11. Published documents referred to in compiling this report

- Audit Committee 28 July 2023 - Statement of Accounts Progress Update
- Audit Committee 30 June 2023 - Financial Controls Assessment
- Executive Board 18 July 2023 – Period 2 2023/24 Budget Monitoring
- Executive Board 18 July 2023 – Budget Strategy and MTFP Refresh 2024/25 – 2027/28

Appendix 1 - June Activity and Completions

FIP Theme 1: Strengthening Financial Leadership	
Actions Taken	Impact on Control Environment
A new 'draft' MTFP revised framework and refreshed financial planning assumptions is formulated for initial discussions with key stakeholders including CLT prior to its finalisation and agreement with Leadership in July. Will take cognisance of key emerging messages arising from the ongoing transformation programme and 5 priority BV Reviews	Early indication of financial resilience and interventions required to ensure a balanced budget is delivered. Early opportunity to align resources to priorities and policy development and bring forward early choices for savings
Revised financial reporting cycle agreed with CLT. Period 2 draft monitoring and forecasting report circulated to CLT for discussion prior to its finalisation and agreement with the Leadership in July	Early intervention and prevention to identify the scale of the in-year financial challenge aligned to early adoption of phased spending control measures
Establishment controls – commission with PWC agreed. 12 week project plan led by HR/Finance Directors. Additional project resource secured from the Change Academy. Weekly stand up meetings to maintain pace over the course of the project.	One version of the truth – 4 data sets to transition to the HCM Fusion module facilitating greater insight to decision making. Enhanced internal control over payroll submissions and control account balances
Spending controls 2023/24– Processes for implementing pay and non-pay measures agreed with CLT. For non-pay Director Workbooks provided for completion and BI Dashboard built to aid monitoring	Identify one-off savings for supporting the Council's financial resilience. Leadership oversight of impact and outcomes achieved by the controls through monthly reporting
Proof of concept BI Dashboards now built with appropriate data security controls. Plan being developed to roll out dashboards to finance teams and Directors over the next period.	Accessible self-serve financial information to facilitate better resource management and engagement across the council
Completion of bespoke 10 week training programme for finance leads on Power BI dashboard development. Built in data security aligned to information governance policy	Dashboards will significantly enhance management insight to identify emerging financial risks/issues and or control and compliance and process issues to be addressed
Fit for the Future – Fusion Financials implementation review identified significant system reconfiguration required to enhance on system working and compliance. Ongoing work completed includes redesigning the use made of the fusion Projects and OTL Modules for managing Projects (Capital), review of PBCS Module started. FFTF LCC refund of £2m paid.	Enabler to better improve system configuration, controls and functionality enhancing use, compliance and insight through enhanced reporting eg Power BI .

Appendix 1 - June Activity and Completions

FIP Theme 2 - Improving the approach to managing and governing the capital programme	
Actions Taken	Impact on Control Environment
Capital programme – Project managers reviewed budgets, profiling and forecasting for each scheme prior to reporting in period 2. This has identified the need to bring into the programme, £78m of energy hub grants that the Government Department is now allowing authorities to carry over into 2023/24.	Development of forecast accuracy and profiling across all years. Review and alignment of programme to match funding available
Completion of an initial 'Straw – man' review of the Transformational programme and its financing.	Assurance of spend classification management and financial reporting between revenue and capital
Fusion Projects and OTL Module – review of system capability and consultation with end users completed. NCC future business design document shared with Mastek (the Managed Service Provider) to cost the change requests.	Enhance, regularise and standardise use of system-based processes for capital projects including capital recharges of staff time and other overheads
Base Budget Assumptions supporting the capital programme / assets in use or under construction have been reviewed aligned to the MTFP refresh and Period 2 reporting.	Verifying prudence of underlying financial assumptions supporting capital schemes
New reporting template for 2023/24 developed for roll out with Period 2 reporting into the RECS DMT (pilot approach).	Greater management oversight of capital schemes at DMTs
Review of capital recharges concluded and reported into the Director of Finance as part of the wider recharges and cost reallocation project.	Assurance on spend classification for management and financial reporting

FIP Theme 3 - Enhancing financial systems to meet user needs	
Actions Taken	Impact on Control Environment
Review of Fusion configuration of the PBCS Module for revenue and capital planning and forecasting is underway. Insight gained from LCC / best practice, and alignment to both the Projects/OTL Module review outcomes and the Establishment Control work so as to facilitate payroll data workflow	Utilisation of system rather than excel based systems and spend linked to project milestones

Appendix 1 - June Activity and Completions

FIP Theme 4 - A well designed and robust system of internal financial control	
Actions Taken	Impact on Control Environment
Review of all NCC / EMSS control account and Bank reconciliations completed – adoption of standardised templates and process to demonstrate separation of duties, audit trail and proactive action to clear unreconciled items	Improved working papers and management oversight of reconciliations
EMSS payroll control account review complete - legacy creditor (net) balance issues to be cleared to enable formal monthly reconciliations to be prepared / reviewed to the satisfaction of the Director of Finance	Balance sheet reconciliations on a regular basis across all areas
Payroll costing – finance are undertaking significant payroll correction journal activities throughout the year that is impacting on resource availability and forecasting accuracy. A root-cause review is underway involving Finance, HR and EMSS	Improve 'first-time' data accuracy, reduce demand-failure, and minimise the risk of salary overpayments
Establishment controls – 12 week project plan designed and agreed and PWC support commissioned to build on their pilot work in RECS Directorate	One version of the establishment/payroll truth to enhance forecasting, reduce demand failure (see above) and mitigate the risk of salary overpayments happening

FIP Theme 5 - Embedding Professional Accounting Practice	
Actions Taken	Impact on Control Environment
Draft register in place subject to final touch-point QA checks to be completed early July.	Key deliverable identified with the EY report in progress although full process map to be developed and full reconciliation to the ledger and collation of grant conditions
Recharges – capital recharges review completed and reported to the DoF. Main project ongoing expected completion end of July	Audit assurance standards improved Greater visibility of recharges vs cost reallocations, with 2023/24 recharges paused until revised policy approved
Journals – revised Journal authorisation workflow process in place and working, additional system-based controls in testing and due for implementation within a couple of weeks. Journal BI dashboard developed to provide insight into activity at each authorisation level.	Audit assurance standards improved. Management controls enhanced

Appendix 1 - June Activity and Completions

FIP Theme 6 - Capacity Building and training	
Actions Taken	Impact on Control Environment
Interim resources secured to cover vacancies and staff 'churn' and create capacity to deliver FIP and manage backlog of accounts closure in responding to the IAB instruction	Increased financial skills and capacity to oversee BAU activity, deliver the FIP activities and address the statutory accounts backlog
PwC commissioned to deliver in conjunction with HR/Finance the establishment control pilot and rollout across the council	One Version of the Truth for HR standing and payroll data enabling more accurate and complete financial data for monitoring / forecasting
EY – management override of controls remediation review commissioned	Increased understanding and assessment of the financial systems control environment, processes and actions to remediate any weaknesses

FIP Theme 7 – Enhancing Financial Strategies	
Actions Taken	Impact on Control Environment
Transformation Strawman argument put forward to the CDF&R , Director of Transformation and DoF for consideration and agreement by CLT	Enhanced financial insight, awareness, understanding of governance and risks facing the transformation programme aligned to the MTFP refresh
Formulation of revised MTFP framework and provision of Period 2 monitoring drafted and discussed with CLT prior to finalisation and agreement with Leadership in July.	Early indication of financial resilience and interventions required to ensure a balanced budget is delivered. Opportunity to align resources to priorities and policy development
Spending control measures agreed by CLT and how measures are to be implemented, managed, and reported. For non-pay spend, Director Workbooks and user guidance provided and completed ready for review by CLT in early July. BI Spending Control dashboard built to provide granular insight into spending activities and patterns.	Leadership oversight of impact and outcomes achieved by the controls. Monthly reporting.

Appendix 1 - June Activity and Completions

FIP Theme 8 - Adult Social Care Managing Finances	
Actions Taken	Impact on Control Environment
Finalisation of the Budget Review (at individual code level) for 22/23 and 23/24 complete.	Improved budget holder accountability, budgets are now up to date with all high level rebase adjustments removed.
Oracle coding structure and hierarchy revised and updated budgets approved and in place at P3	Supports improved budget holder accountability, more accurate in year forecasting and development of medium term forecasts linking budget, activity and cost data.
Monitoring process updated to replace single line forecasting with detailed forecasts at code level.	Improved accountability and system reporting with removal of “off ledger” spreadsheet workarounds to support one version of the truth within Oracle.
4 year reconciliation of care systems (ContrOCC) to Oracle completed (care commitments vs actual values paid). Approach agreed with Grant Thornton and prior year accrual adjustments being made.	Provides clarity re prior year accruals brought forward and a robust basis for monthly reconciliation of care system commitments to ledger.
Initial Oversight Board Meeting agreed series of workshops to be held to map current data and process issues linked to ContrOCC and interfaces with Oracle and provide key actions to be progressed. First workshop held with Finance and further service workshops.	Oversight Board will drive the production of an appropriately resourced and jointly managed action plan to deliver data and system improvements and clarify future roles and responsibilities with regard to systems ownership and controls.

Appendix 2 - FIP Activities to end of September 2023

FM Code Ref	FM Code: Assessment Questions	Characteristics & Measures of Success	Action - UID	Action	Start Date	Expected completion date	Current Status
A1	Does the authority have a clear and consistent understanding of what value for money means to it and to its leadership team?	The authority has in place arrangements for internal audit that in performing their audits has considered value for money	A1.17	Review of Internal Audit plan and reporting mechanism to ensure that value for money has been considered and reported to leadership and Audit Committee	May-23	Sep-23	Not Started
		The finance team will operate a standard set of processes which will be owned centrally as a basic service to all budget holders and senior stakeholders.	A1.10	Guidance developed and issued on standard required by Finance Business Partners when preparing activity based costing and zero based budgeting	May-23	Sep-23	In Progress
			A1.11	Guidance developed and issued on standard required by Finance Business Partners when preparing variance analysis, constructive challenge and advice to budget holders	May-23	Sep-23	In Progress
			A1.9	Guidance developed and issued on standard required by Finance Business Partners when preparing financial analysis and reporting	May-23	Sep-23	In Progress
A2	Does the authority have suitable mechanisms in place to promote value for money at a corporate level and at the level of individual services?	Audit Committee have suitable mechanisms in place to oversee and monitor VfM and risks	A2.8	Provide annual training (could also be refresher if no change in membership) to Audit Committee members	Jun-23	Sep-23	Not Started

Appendix 2 - FIP Activities to end of September 2023

FM Code Ref	FM Code: Assessment Questions	Characteristics & Measures of Success	Action - UID	Action	Start Date	Expected completion date	Current Status
		Audit recommendations are actively managed and implemented by lead officer	A2.6	Respond to all External Audit / EY recommendations for the 2019/20 audit	Apr-23	Jul-23	In Progress
		Publication of a debt management strategy (Income)	A2.7	Formulation of a revised debt management strategy (Income)	Jul-23	Sep-23	Not Started
A3	Is the authority able to demonstrate the action that it has taken to promote value for money and what it has achieved	The authority undertakes a programme of best value reviews designed to assess the extent to which its principle services are operating effectively and making recommendations for improvement	A3.2	SFBPs to attend relevant BV Squads on a weekly basis	Apr-23	Jul-23	In Progress
B4	Is the finance team suitably resourced and fit for purpose?	End users visit intranet site and download 'how to guides'. Site traffic captured through data analytics.	B4.4	Develop a knowledge base on the finance intranet site that will provide end users with information on systems	Jul-23	Sep-23	Not Started
		Level of compliance regarding proper use of corporate systems increases.	B4.2	Draft 'how to guides' to support end users to be more compliant in the use of corporate systems.	Jul-23	Sep-23	Not Started
		The finance TOM has been implemented and demonstrates an effective and efficient finance function in its core service delivery and supporting delivery of the authority's service and corporate plan	B4.3	Define the new Finance TOM	Jun-23	Sep-23	In Progress
			B4.5	Provide additional expert capacity to address backlogs in the achievement of statutory financial reporting and audit requirements	Mar-23	Sep-23	In Progress
			B4.6	Implement the finance TOM	Aug-23	Sep-23	Not Started

Appendix 2 - FIP Activities to end of September 2023

FM Code Ref	FM Code: Assessment Questions	Characteristics & Measures of Success	Action - UID	Action	Start Date	Expected completion date	Current Status
			B4.7	Aligned to the proposed Target Operating Model and EMSS reviews, determine the future structure, role and responsibilities of the Financials Transactions Teams that looks to facilitate and support a positive control environment that is not focused on 'demand failure' and is both proactive in identifying the root-cause effect, managing and clearing unreconciled items/issues and risks and developing functional solutions to process bottlenecks.	Apr-23	Sep-23	In Progress
		Training programme is rolled out and attendance is high. Attendees have developed increased knowledge and understanding of how to use corporate systems	B4.1	Develop training programme across Oracle Fusion and other Finance reporting tools.	May-23	Sep-23	In Progress
C2	Does the authority have in place a clear framework for governance and internal control?	Audit Assurance on the operational robustness of internal financial control framework	C2.7	Commission an internal audit review to supplement and test compliance with payroll submission and control account reconciliations	April	Jul-23	Not Started
		Improve robustness of the internal financial control framework	C2.6	Establish a formal set of procedures and processes for HR to maintain data integrity incl periodic establishment reconciliation checks	Apr-23	Jul-23	Not Started

Appendix 2 - FIP Activities to end of September 2023

FM Code Ref	FM Code: Assessment Questions	Characteristics & Measures of Success	Action - UID	Action	Start Date	Expected completion date	Current Status
		Improved accuracy of the establishment with minimal variances between HR/Payroll and Finance supporting improved financial forecasting and budget setting	C2.4	Carryout a full review of the current establishment to identify one version of the truth in HCM Fusion	May-23	Jul-23	In Progress
		Supports "One Version of the Truth" in financial reporting and compliance with the CIPFA FM Code standards	C2.8	Develop a requirements document to understand all Oracle Fusion modules with the aim to document the gaps and implement future processes. Included in EY review.	May-23	Jul-23	In Progress
			C2.9	Conduct a gap analysis (link to C2.8) to determine 'as is' and develop recommendations for 'to be'	Mar-23	Sep-23	In Progress
			C2.5	Implement and make the necessary establishment changes identified from the review	Apr-23	Jul-23	In Progress
C4	Does the leadership team espouse high standards of governance and internal control?	The leadership team espouses high standards of governance and internal control through an effective Constitution and effective decision making	C4.1	Review the current working arrangements between Members and Officers against best practice to identify opportunities to ensure good governance is in place	May-23	Jul-23	In Progress
C5	Does the leadership team nurture a culture of effective governance and robust internal control across the authority?	Comprehensive training and development including 'how to guides' available to all those using Oracle Fusion to provide effective governance and internal controls. Reported through the Annual Governance Reporting statements	C5.1	Develop a training and improvement programme including 'how to guides' for all those using Oracle Fusion. Create knowledge base	Jul-23	Sep-23	Not Started

Appendix 2 - FIP Activities to end of September 2023

FM Code Ref	FM Code: Assessment Questions	Characteristics & Measures of Success	Action - UID	Action	Start Date	Expected completion date	Current Status
		Comprehensive training on developing skills and competencies in asset management, capital planning, project/risk and financial management is delivered, embedded in operational delivery going forward with an annual refresh programme	C5.4	Develop a comprehensive training programme for developing skills and competencies in asset management, capital planning, project/risk and financial management	Jul-23	Sep-23	Not Started
E1	Does the authority have in place an effective framework of financial accountability?	The authority operates financial information systems that enable the consistent production of comprehensive, accrual-based and up to date data that fully meets the users' needs	E1.7	Review of Establishment Control arrangements to reconcile staff numbers and funding sources to Fusion - HCM and establish an effective arrangement for managing this going forward.	Apr-23	Jul-23	In Progress
		Robust internal control framework	E1.8	Review of control accounts, holding accounts, suspense account, and bank reconciliations including the development of a standardised approach. Included in EY review.	Apr-23	Jul-23	In Progress
		Budgets are profiled to reflect an in year accrual accounting principle	E1.9	Review the budget profiles to establish whether commitment accounting can be rolled out. Included in EY review	Apr-23	Sep-23	In Progress
E2	Is the authority committed to continuous improvement in terms of the economy, efficiency, effectiveness and equity of its services?	The authority is committed to continuous improvement in terms of the economy, efficiency and effectiveness	E2.6	Perform post implementation system and process reviews for each transactional module of Oracle Fusion (AP/AR) Included in EY review	Feb-23	Sep-23	In Progress
			E2.7	Create cost - benefit action plan for opportunities identified from the post implementation reviews	Apr-23	Sep-23	In Progress

Appendix 2 - FIP Activities to end of September 2023

FM Code Ref	FM Code: Assessment Questions	Characteristics & Measures of Success	Action - UID	Action	Start Date	Expected completion date	Current Status
		The authority's financial accounting and reporting are accrual based; comply with the Code of Practice on Local Authority Accounting in the United Kingdom, and meet the relevant professional and regulatory standards	E2.5	Significant Accounting Review - Best value reviews	Apr-23	Sep-23	In Progress
			E2.8	Deliver the P2P Improvement Plan	Apr-23	Sep-23	In Progress
E3	Does the authority's finance team have appropriate input into the development of strategic and operational plans?	The finance team performs an integral role in providing financial advice and guidance into the development of the strategic and operational plans across the authority	E3.1	Review the skills and capabilities of finance business partners and associated toolkit to support the review with Directors and staff on their divisional plans. Identify necessary actions for improvement	May-23	Sep-23	In Progress
E5	Has the authority sought an external view on its financial style, for example through a process of peer review?	The authority has sought an external view on its Management of Override controls as part of its FIP	E5.1	EY to report on its review of Management of Override Controls to provide an independent review	Apr-23	Sep-23	In Progress
E6	Do individuals with governance and financial management responsibilities have suitable delegated powers and appropriate skills and training to fulfil these responsibilities?	Improve the financial competencies of finance staff to support the wider authority in effective decision making within their delegated authorities	E6.2	Develop good practice guidance for Finance Business Partners	May-23	Sep-23	In Progress
			E6.3	Communicate and roll out good practice guidance for Finance Business Partners	May-23	Sep-23	In Progress
F1	Has the authority undertaken a financial resilience assessment?	To put in place the foundations for a financial resilience assessment	F1.1	Review MTFP 2023/24 working papers approved at budget based on information known April 2023. (As part of MTFP 2024/25)	May-23	Jul-23	In Progress

Appendix 2 - FIP Activities to end of September 2023

FM Code Ref	FM Code: Assessment Questions	Characteristics & Measures of Success	Action - UID	Action	Start Date	Expected completion date	Current Status
			F1.2	Refresh of the MTFP for July Exec	May-23	Jul-23	Complete
			F1.3	Provide budget holders with regular reports on their performance against their budget allocations, identify any significant variations from the agreed budget, and take prompt action to address them. Link to new monitoring timetable	May-23	Jul-23	In Progress
			F1.4	Confirm that the authority has put in place robust arrangements for processing and recording income and expenditure in a timely manner. Included in EY review	Apr-23	Sep-23	In Progress
F3	Has the authority taken appropriate action to address any risks identified as part of the assessment?	Financial resilience statement - risk assessment	F3.1	Post financial resilience statement, consider the risks and mitigating actions as required. Link into MTFP July Exec report	Jun-23	Jul-23	In Progress
G2	Does the authority have a strategic plan and Longterm financial strategy that adequately address these risks?	The authority has a clear and achievable transformation programme in place that delivers the savings within the MTFP	G2.3	Review the assumptions within the OBC's and current status of projects to assess savings targets and confirm alignment to MTFP or taken corrective action as necessary	May-23	Jul-23	In Progress

Appendix 2 - FIP Activities to end of September 2023

FM Code Ref	FM Code: Assessment Questions	Characteristics & Measures of Success	Action - UID	Action	Start Date	Expected completion date	Current Status
H1	Has the authority prepared a suitable capital strategy?	The authority has a capital strategy approved by Council that is underpinned by sound assumptions, policy and guidance	H1.4	Review of underlying base budget assumptions that underpin the capital programme and related ongoing developments e.g., Broadmarsh deficit funding as part of the MTFP Refresh	May-23	Jul-23	Not Started
			H1.5	Prepare a Capital FM Handbook that provides Project Managers / FBPs with a clear understanding of their financial role and responsibilities in managing and reporting a capital project	May-23	Sep-23	In Progress
			H1.6	Develop and roll out a mandatory capital training module for completion by all PMs / Project Support Officers	Jul-23	Sep-23	Not Started
I2	Is the medium-term financial plan consistent with and integrated into relevant service plans and its capital strategy?	The medium-term financial plan is consistent and integrated into relevant service plans and its capital strategy and can be demonstrated by the in year reporting cycle	I2.1	Review of underlying base budget assumptions that underpin the capital programme and related ongoing developments e.g., Broadmarsh deficit funding as part of the MTFP Refresh	May-23	Jul-23	On hold
L3	What action does the authority plan to take to improve its engagement with key stakeholders?	To provide leadership with assurance that appropriate consultation and engagement will be carried out as part of the 24/25 budget	L3.1	Seek feedback on the budget consultation undertaken in 23/24	Jul-23	Sep-23	Not Started

Appendix 2 - FIP Activities to end of September 2023

FM Code Ref	FM Code: Assessment Questions	Characteristics & Measures of Success	Action - UID	Action	Start Date	Expected completion date	Current Status
N1	Does the authority provide the leadership team with an appropriate suite of reports that allow it to identify and to correct emerging risks to its budget strategy and financial sustainability?	Compliance process in place for monthly financial monitoring to provide assurance as part of the suite of reports to leadership	N1.1	Develop a compliance reporting framework for monthly reporting that provides assurance that the ledger /feeder systems are being managed in line with expected controls and highlights any emerging issues/risks/process bottlenecks to be addressed	Apr-23	Sep-23	In Progress
		To provide the leadership team and budget holders with an appropriate suite of reports to facilitate effective performance and decision making	N1.10	Finalise the proposed reporting templates for CLT / DMTs /Capital Board reporting with the DoF	Jun-23	Sep-23	Not Started
			N1.11	Road-test the DMT reporting template with RECS. Take on board feedback before rolling out to all DMTs	Jun-23	Jul-23	Not Started
			N1.3	Develop a suite of compliance reporting dashboards using Power BI that is accessible to CLT/DMTs for Accounts Receivable and P2P (AP) initially	Apr-23	Sep-23	In Progress
N3	Are there mechanisms in place to report the performance of the authority's significant delivery partnerships such a contract monitoring data?	Well managed VFM shared service	N3.6	Review of Finance TOM	Apr-23	Sep-23	In Progress

Appendix 2 - FIP Activities to end of September 2023

FM Code Ref	FM Code: Assessment Questions	Characteristics & Measures of Success	Action - UID	Action	Start Date	Expected completion date	Current Status
N5	Is the leadership team happy with the reports that it receives and with its ability to use these reports to take appropriate action?	Reporting and insight analysis is used to inform decision making and improve accuracy of forecasting	N5.4	Working with key stakeholders, create a Finance MI Reporting Annual Plan that specifically identifies the financial reports to be prioritised for development to meet business needs	Jul-23	Sep-23	Not Started
			N5.5	Identify the resource requirement to maintain, develop and meet the Annual Reporting Plan reporting needs (to be considered alongside the Finance TOM)	Jul-23	Sep-23	Not Started
		Routine compliance and adherence to policies, processes and procedures	N5.3	Develop an initial suite of prototype finance dashboards for demonstration these being: AR, Revenue Budget, AP, Journal management, others TBD once resource training complete).	Apr-23	Sep-23	In Progress
O1	Has the authority identified the elements of its balance sheet that are most critical to its financial sustainability?	Robust internal control	O1.4	Payroll Control workstream - Review and implement payroll submission controls	Apr-23	Jul-23	In Progress
			O1.5	Payroll Control workstream - Audit brief	May	Jul-23	In Progress
		Robust internal control framework for managing the payroll system	O1.1	Payroll Control workstream - Implement and embed control account reconciliations	Apr-23	Jul-23	In Progress

Appendix 2 - FIP Activities to end of September 2023

FM Code Ref	FM Code: Assessment Questions	Characteristics & Measures of Success	Action - UID	Action	Start Date	Expected completion date	Current Status
P3	Have the authority's financial statements hitherto been prepared on time and in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom	A clean audit opinion	P3.10	Accounts Catch-up - 2021-2022 Accounts Draft 2021-22 accounts taking into account issues arising from the 2019-20 audit and any issues identified by Finance Staff. Prepare and quality assure all backing working papers. Look to automate links between working papers and the master document. Issue accounts formally for public inspection.	Apr-23	Sep-23	In Progress
			P3.11	Closedown Process improvements To improve a range of processes to assist with accurate closedown of accounts building on training sessions run in March 2023. Evaluate the impact of training provided, plan and deliver further technical training as required.	Apr-23	Sep-23	In Progress
			P3.5	Completing the outstanding accounts for 2019/20 to 2021/22 This refers to 2019-20 audit queries only	Apr-23	Jul-23	Complete

Appendix 2 - FIP Activities to end of September 2023

FM Code Ref	FM Code: Assessment Questions	Characteristics & Measures of Success	Action - UID	Action	Start Date	Expected completion date	Current Status
			P3.6	Completing the outstanding accounts for 2019/20 to 2021/22 To be updated to show split action This line refers to 2019-20 Statement Document only	Apr-23	Jul-23	Revised Draft Complete
			P3.7	Grants management - building on work done by PwC	Apr-23	Jul-23	Complete
			P3.8	Control of recharging processes improvement	Apr-23	Aug-23	In Progress
			P3.9	Completing the outstanding accounts for 2019-20 to 2021-22 This is about the 2020-21 Statements	Apr-23	Sep-23	In Progress
Q1	Is the authority's leadership team provided with a suitable suite of reports on the authority's financial outturn and on significant variations from budget?	Routine compliance and adherence to policies, processes and procedures	Q1.3	Develop an initial suite of prototype finance dashboards for demonstration these being: AR, Revenue Budget, AP, Journal management, others TBD once resource training complete).	Apr-23	Sep-23	In Progress

Appendix 3 - Transformation Strawman Financial Assurance Activity

Activity	Status	Outcome
Discovery Stage		
Handover from previous transformation finance lead	Complete	Understand current transformation programme and filing structures
Meet all programme leads to understand status of programmes	Complete	Understand current programme including high level gap analysis
Meet Strategic Finance Business Partners to understand status of programme	Complete	Understand current programme including high level gap analysis
Initial Health check	Complete	High level gap analysis
Design Stage		
Development of Strawman	Complete	To support development of a financial assurance framework for delivery of the transformation programme
Implementation		
Control / Reconciliation / Governance / Risk	In Progress	Robust, effective, and efficient internal control and governance framework in place including risk management
Reporting / Decision making / Value for Money	In Progress	Stakeholders are informed and able to make decisions whilst having regard for value for money
Milestones / Deliverables (Decision checkpoints)	In Progress	Ability to make effective decisions to maximise delivery of the savings
Communication and Organisational Awareness	In Progress	Financial accountability and responsibility that is clearly defined and understood

Appendix 3 - Transformation Strawman Financial Assurance Activity

Implementation Activity	Status	Control / Reconciliation / Governance / Risk Management	Reporting / Decision making / Value for Money	Milestones / Deliverables (Decision checkpoints)	Communication and Organisational Awareness
Financial due diligence of OBC's undertaken (metrics / saving type / budget monitoring / benefit realisation)	In progress	X	X	X	X
Consolidate all decisions (OED's / DDMs) and w/p's into a master document to create audit trail	Complete	X	X		
Consolidate all spreadsheets (savings and investment) including funding sources into one master version shared with the transformation Director. This includes all Improvement activity	Complete	X	X		
Reconciliation of gross savings, net savings and investment to MTFP and currently drafted OBCs	Complete	X			
Agree budgets for entering onto Fusion by P3	Complete	X			
Align cost centres to appropriate budget manager	In progress	X	X		
Reconciliation of actuals P1 – P3 to support forecasting	Complete	X	X		
Issue budget timetable to programme leads	Complete	X	X		X
Issue budget guidance to programme leads and transformation office	In Progress	X			X
Review all investment forecasts with programme leads	Complete	X	X		X
Review all savings with programme leads	Complete	X	X	X	X
Budget monitoring versus benefits realisation to ensure expectations are managed across finance, transformation and SROs	In Progress	X	X	X	X
Update investment forecasts for P3	Complete	X	X	X	
Establish monthly meetings with finance and programme leads from June 2023	Complete	X	X		X

Appendix 3 - Transformation Strawman Financial Assurance Activity

Implementation Activity	Status	Control / Reconciliation / Governance / Risk Management	Reporting / Decision making / Value for Money	Milestones / Deliverables (Decision checkpoints)	Communication and Organisational Awareness
Agree milestone / delivery decision checkpoints from July 2023 with programme leads	On track			X	
Establish robust benefits realisation tracker	In Progress	X			
Review and implement improved finance reporting on the transformation programme	In Progress	X	X	X	X
Ensure alignment with other savings and new savings being put forward	In Progress	X	X		X
Create risk and issue register overall programme level that impacts on financial savings / investment	Complete	X	X	X	X

Activities for next quarter outlined on the strawman include:

- Understanding all assumptions
- Roles and responsibilities
- Budget monitoring
- Benefits realisation
- Reporting – (clear, concise and evidence based)
- MTFP 2024/25 refresh and BV reviews outcomes

Appendix 3 - Transformation Strawman Financial Assurance Activity