

**Report of the Interim Head of Accountancy**

**Restructure of Accountancy**

**1 Purpose of Report**

- 1.1 This report seeks approval in principle to review the current Accountancy structure.

**2 Executive Summary**

- 2.1 This report proposes a review of the structure of the Accountancy function of the Council to deliver savings and allow the potential for further improvements in the quality of the service.

**3 Appendices**

None.

**4. Proposed Action:**

- 4.1 **The Committee is invited to RESOLVE that the Accountancy structure of the Council be redesigned and delegate authority to the Corporate Director, Resources to implement changes and update this Committee of the outcome in September 2010.**

**5 Background**

- 5.1 A review of management arrangements identified early in 2010 the potential to make the Head of Accountancy post redundant. A further review of the quality and level of the Accountancy service is now required to identify the structure of the function to implement best practice. This needs to take account of the weaknesses identified by external audit in 2009. Members also are aware that the Council is facing significant savings over the coming months. The Finance service is not immune from looking at how it can improve its efficiency.

**6 Discussion**

- 6.1 In 2009 the Council's external auditors identified a number of weaknesses in the Council's financial management and services. Whilst a significant number of improvements have been made since, a review of the service identified the potential to start a redesign of the service, starting with the redundancy of the Head of Accountancy post. Whilst this redundancy has been implemented the next stage to redesign the Accountancy function now needs to be completed to ensure a sustained improvement and deliver of a high quality professional service.
- 6.2 The focus of this review is principally therefore on improving the quality and capability of the function through a redesign of the service. However, efficiencies will also be sought where possible through improvements in controls, financial reporting and automation and standardisation of processes.

- 6.3 The proposals should not in any way impact adversely on the service delivery to budget holders and management. A redesign of the Service is an opportunity to clarify responsibilities, improve reputation and credibility with other services and external inspectors, and to ensure that we are doing all we can to provide quality services responsive to resident needs.
- 6.4 Given Member approval for the review, proposals will be developed and a period of consultation with employees and Trade Unions would commence through July. Comments received will inform the outcome. As the post concerned are below Head of Service level it planned for the Corporate Director, Resources to action the changes following consultation, and then report back to the September Resources Committee on the outcomes. Implementation of any agreed proposals being in place before that date.

## 7 Legal Powers

- 7.1 The Council has powers under s112 of the Local Government Act 1972 to employ and remunerate such employees as it considers necessary for the performance of its functions.

## 8 Financial and Value For Money Implications

- 8.1 A redesign of the Council's Finance function arrangements offers the potential to reduce the cost of corporate support, whilst improving the quality of services. Clearly, with any redesign/reduction there will likely be the need for severance costs that will impact upon any gross savings It is expected that any such costs will be borne by the service and ways to address this identified alongside the proposals to still ensure the budget is balanced at the end of the year.

## 9 Risk Analysis

Nature of risk	Consequences if realised	Likelihood of occurrence	Control measures
Inability to decide on approach or structure	Failure to deliver improvements or cost savings	Low	Decision sought from Members
Instability of the organisations performance and individuals morale and well-being	Disruption of management and decline in service outputs	Low	Well planned implementation, consultation and communication processes
Insufficient capability in the organisation to deliver	Failure to deliver realistic plans	Low	Project management arrangements in place.

## **10 Implications for Resources**

- 10.1 No immediate impact on property resources are foreseen. The process will be managed to ensure any potential to impact on the quality of service impacting on budget holders is minimised.

## **11 Implications for Stronger and Safer Communities**

- 11.1 Health improvement, community cohesion, and community safety matters under the local area agreement will be considered within the proposed allocation of functions within a developed proposal.

## **12 Implications for Equalities**

- 12.1 Consultation with employees and trade union representatives will be carried out throughout the process in accordance with the Council's agreed procedures. The Council's duty to design its services around the needs of local people and to evaluate the impact of its services, policies and activities on different groups in society to eliminate discrimination will be considered within the proposed allocation of functions.

## **13 Author and Contact Officer**

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## **14 Consultees**

CMT & OMT

## **15 Background Papers**

None.

