

## Review of the Finance Department

### Report of the Chief Fire Officer and the Treasurer

For further information about this report please contact Paul Raymond, Chief Fire Officer, on 01743 260201, Rachel Musson, Treasurer, on 01743 252007, or Joanne Coadey, Head of Finance, on 01743 260215.

#### 1 Purpose of Report

This report presents a review of the Authority's restructured Finance Department, following the retirement of the Treasurer in August 2011.

#### 2 Recommendations

Members are asked to note the report.

#### 3 Background

The Fire Authority approved the Statement of Accounts for 2010/11 in September 2011, and subsequently received the Audit Commission's Annual Governance Report.

Within the report, an issue was raised regarding capacity within the Finance Department, which is particularly stretched during the closedown audit, as no additional resources are brought into the Department.

In light of this Members requested that a six-month review of the Finance Department's performance be brought to the Strategy and Resources Committee.

## 4 Department Restructure

Following the retirement of the Authority's Treasurer in August 2011, the opportunity was taken to restructure the existing Department, as shown below.

<b>Old Structure</b>	<b>New Structure</b>
Treasurer	S151 duties (outsourced to Shropshire Council)
Principal Accountant	Head of Finance
Assistant Accountant	Accountant
Finance Assistant	Finance Support Officer
Finance Assistant	Finance Support Officer
	Finance Assistant

The restructure was completed within existing budgets for the Department, and the creation of a post to carry out processing duties has given capacity for the other team members to become involved in more complex accounting tasks.

## 5 Performance following the Restructure

The restructure has enabled the existing members of the team to develop their skills and to take on more responsibility within their roles. The transition to new roles, alongside the retirement of the Treasurer and a key team member taking maternity leave, has been successful.

It is proposed that the Finance Support Officers will produce the Audit File for the 2011/12 closedown audit, leaving the Head of Finance and the Accountant to produce the statement and the working papers, and act as liaison officers with the auditors.

As well as additional capacity being available during the closedown audit, the restructure has resulted in other benefits for the organisation.

A lean systems review was carried out in 2011, looking at the payroll processing function within the organisation. It was concluded that the processing of payroll claims, including overtime, should be reallocated from Human Resources to Finance, a view which was echoed within the Finance team.

The majority of processes have now been transferred to the Finance Department, where they have been streamlined and absorbed into the timetable of month-end processes routinely carried out by the team.

## **6 Future Review**

It is proposed that a paper is brought to the Committee in September to report on the performance of the Finance Department over a full year. In addition, the roles of individual team members, as they have evolved, and the capacity of the Department will be reviewed.

## **7 Financial Implications**

The costs of the restructure of the Finance Department were contained within the existing Authority budgets.

## **8 Legal Comment**

There are no legal implications arising from this report.

## **9 Equality Impact Assessment**

Officers have considered the Service's Brigade Order on Equality Impact Assessments (Personnel 5 Part 2) and have decided that there are no discriminatory practices or differential impacts upon specific groups arising from this report. An Initial Equality Impact Assessment has not, therefore, been completed.

## **10 Appendices**

There are no appendices attached to this report.

## **11 Background Papers**

There are no background papers associated with this report.